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Edward Jones



November 28, 2016

Securities and Exchange Commission
Attn: Brent J. Fields, Secretary
100 F Street, NE
Washington, DC 20549-1090

Re: FINRA Rule Filing SR-FINRA-2016-039 – Proposed Rule Change to Amend Rule 4512 (Customer Account Information) and adopt FINRA Rule 2165 (Financial Exploitation of Specified Adults)

Dear Mr. Fields:

Edward Jones appreciates the opportunity to submit comments on FINRA's proposed rule to amend FINRA Rule 4512 to require members to make reasonable efforts to obtain the name of and contact information for a trusted contact person for a customer's account as well as the adoption of a new FINRA Rule 2165 to permit members to place temporary holds on disbursement of funds or securities from accounts where there is a reasonable belief of financial exploitation of these customers.

Edward Jones is one of the largest financial services firms in the United States, serving the needs of over seven million U.S. investors through personalized service provided by over 14,000 financial advisors. We focus on serving the needs of the long-term individual investor by establishing personal relationships, understanding their needs and implementing tailored solutions.

We provide the following comments for your consideration.

Edward Jones supports the Adoption of Rule 2165

We applaud FINRA for proposing new measures to protect and serve senior investors and other vulnerable adults. With over 10,000 Americans turning 65 every day and an estimated 1 in 5 Americans aged 65 or older being victimized by financial fraud, we recognize this is a significant concern and a problem that is likely to continue to grow.

Edward Jones is strongly committed to protecting senior and vulnerable investors and has put in place a number of proactive measures to identify, escalate and report suspected financial exploitation. We worked very closely with the Missouri Securities Division two years ago to pass one of the first senior investor protection laws in the country. We made available last year an optional alternate contact authorization form we are encouraging our financial advisors to use to provide a designated individual we can speak with should concerns arise over

inability to contact a client or issues associated with diminished capacity or cognitive impairment appear. We have also provided annual training to many of our associates to identify red flags associated with cognitive impairment and financial exploitation and ensure appropriate escalation procedures are understood and followed.

We believe amended Rule 4512 and Rule 2165 will bolster protections of senior investors and vulnerable adults by requiring reasonable efforts to obtain the name and contact information for a trusted contact and permit firms to place temporary holds on disbursement of funds where there is a reasonable belief of financial exploitation. We believe this proposal will promote early detection and escalation, which is critical to minimizing financial losses from senior and vulnerable adult exploitation.

Finally, we commend FINRA and NASAA for their collaborative efforts to promote a common regulatory framework to protect senior and vulnerable investors and achieve consistency where possible and appropriate.

Edward Jones believes more than 180 days is necessary to implement the rule

While we strongly support the rule proposal, we believe more than 180 days will be necessary to properly implement the rule's requirements to make reasonable efforts to obtain the name of a trusted contact on a customer's account.

We appreciate that FINRA has designed the rule proposal so a trusted contact can be obtained or updated in the normal course of business or subject to the requirements of SEA Rule 17a-2(a)(17), however, the choice of a trusted contact on an account is critical and typically can only be made after thoughtful and deliberative discussions with a client. A recent New York state study found that 67% of senior fraud cases were committed by family members, making the difficult task of understanding the client's family, caregivers, legal and tax professionals and close friends time consuming and crucial to protecting their interests.

The account record requirements of SEC Rule 17a-3(a)(17) are an important step in collecting and verifying trusted contact information for a customer's account, but are the culmination of the process in identifying the appropriate individual for the trusted contact role.

We also believe more time is merited given the technology resources necessary to implement the rule. As described earlier, we have made an optional alternate contact authorization form available for our financial advisors to use with clients. While we document receipt of this form, it is essentially free-standing, and not

currently integrated into account, account record verification or surveillance systems.

In order to document, retain and periodically update trusted contact information in the fashion called for by this rule, as well as to systematize current trusted contact information, significant system changes will be required. While we acknowledge this effort will be less complex than the implementation of FINRA Rule 2111, we are cognizant of the time and complexity involved whenever we add an additional data field to our account records given the number of systems impacted by this change.

Finally, we believe FINRA should give consideration to the unprecedented regulatory change occurring in the industry as member firms and financial advisors implement the Department of Labor's fiduciary rulemaking and other significant regulatory initiatives, including shortening the settlement cycle to two days (T+2). In 2017, financial advisors will be spending a significant amount of time with clients focused on discussing account changes and solutions under the fiduciary rulemaking which will necessarily limit the amount of time available to discuss and obtain trusted contact information. The firm will also be committing significant technology and operations resources in order to comply with the Department of Labor's fiduciary rule, which will drive meaningful changes to our systems and branch processes.

Given the in-depth discussions financial advisors will need to have with their clients to identify the individual responsible for this critical role, necessary system changes and updates to forms and written supervisory procedures and the implementation of other significant regulatory initiatives, we believe a minimum of 12 months is necessary to properly implement the rule.

Conclusion

Edward Jones appreciates the opportunity to provide comments on this rule proposal. We strongly support FINRA's efforts to promote additional measures to better protect and serve senior investors and other vulnerable adults, but believe strong consideration should be given to providing additional time to implement the rule. If you have any questions regarding the comments contained in this letter please contact me at [REDACTED].

Sincerely,



Jesse Hill

Principal – Government and Regulatory Relations