

SECURITIES AND EXCHANGE COMMISSION  
Release No. 34-66624

March 20, 2012

Order Granting an Application of Edward Jones & Co. LP Exemption from Exchange Act Section 11(d)(1) pursuant to Exchange Act Section 36(a)

By letter dated December 5, 2011, counsel for Edward Jones & Co., L.P. (“Edward Jones”) requested that the Securities and Exchange Commission (“Commission”) issue to Edward Jones an exemption from Section 11(d)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) pursuant to Section 36(a) of the Exchange Act. Specifically, the letter requested that the Commission exempt Edward Jones from the prohibitions of Section 11(d)(1) of the Exchange Act if Edward Jones extends to a customer margin on newly-purchased shares of mutual funds not managed or sponsored by Edward Jones or any affiliate of Edward Jones (“non-proprietary mutual funds”) in instances in which the customer makes a dollar-for-dollar substitution by selling an already-margined non-proprietary mutual fund and buying another non-proprietary mutual fund on margin without incurring any fees, commissions or other costs for the transactions and without Edward Jones otherwise charging the respective customers any fees, commissions or other costs to effect the transactions.

We find that it is appropriate and in the public interest and consistent with the protection of investors to grant Edward Jones a conditional exemption from Section 11(d)(1) of the Exchange Act.

Conclusion

IT IS HEREBY ORDERED, pursuant to Section 36(a) of the Exchange Act, that Edward Jones, based on the representations and the facts presented in its letter and subject to the conditions contained in this order, is exempt from the new issue lending restriction of Section 11(d)(1) of the Exchange Act to the extent that Edward Jones extends to a customer margin on newly-purchased shares of non-proprietary mutual funds in instances in which the customer makes a dollar-for-dollar substitution by selling an already-margined non-proprietary mutual fund and buying another non-proprietary mutual fund on margin without incurring any fees, commissions or other costs for the transactions and without Edward Jones otherwise charging the respective customers any fees, commissions or other costs to effect the transactions.

This exemption is subject to the conditions that

- Edward Jones does not receive any sales commissions, Rule 12b-1 fees, revenue sharing or any other compensation, directly or indirectly, from the mutual fund complexes in which investments are made, and Edward Jones does not charge or receive any compensation, fees, expenses or other costs as a result of its effecting transactions in the funds; and

- Edward Jones, its affiliates, associates, related persons, management and employees have no affiliation with the mutual funds subject to the request, other than that Edward Jones will effect transactions in the funds for its customers.

The foregoing exemption is subject to modification or revocation if at any time the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority,<sup>1</sup>

Kevin M. O'Neill  
Deputy Secretary

---

<sup>1</sup> 17 CFR 200.30-3(62).