On April 17, 2006, the Commission published a “Notice of Proposed Plan for the Distribution of a Fair Fund and Opportunity for Comment” (“Notice”) in connection with this proceeding pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103. This Notice advised interested parties that they could obtain a copy of a proposed plan of distribution of monies placed into a Fair Fund authorized by the Commission in the above matter (“Distribution Plan”), by printing a copy of the proposed Distribution Plan from the Commission’s public website or Edward Jones’ public website or by submitting a written request to Anne C. McKinley in the Commission’s Midwest Regional Office.

The Notice also advised that all persons desiring to comment on the Distribution Plan could submit their views, in writing, to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-1090; by using the Commission’s internet comment form (http://www.sec.gov/litigation/admin.shtml); or by sending an e-mail to rule-comments@sec.gov, by no later than May 17, 2006. The Commission received two comments on the Distribution Plan from individual investors. The first comment sought advice about an individual’s personal investment in mutual funds through Edward Jones. The second comment related to the procedures for identifying the addresses of customers who no longer have an active account at Edward Jones and expressed a concern that Edward Jones would no longer have that individual’s current address.

As stated in the Distribution Plan, investors will receive a pro rata share of the Fair Fund based on the amount of revenue sharing that Edward Jones received for each customer’s investments in certain mutual funds. Customers who have an active account
with Edward Jones will receive an electronic distribution directly into their existing Edward Jones account. Customers who no longer have an active account with Edward Jones will receive a physical check through the mail at the best address found after comparing a customer’s last known address in Edward Jones’ records with any addresses located through an address search using an address validation system. The Distribution Plan also provides that additional procedures will be applied to locate current addresses for customers whose checks are returned as “undeliverable” and for any customers whose checks over $50 have not been cashed within 90 days from the date the checks were issued. Thus, the Distribution Plan contemplates the application of certain investigative procedures to ensure that both current and former customers of Edward Jones who are eligible to receive a portion of the Fair Fund receive their pro rata shares of the Fair Fund.

The Division of Enforcement proposes that the Commission approve the Distribution Plan as written and appoint James R. Doty, Esq. of the law firm of Baker Botts L.L.P. as the Fund Administrator to administer the Distribution Plan.

Accordingly, pursuant to Rule 1104 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1104, IT IS HEREBY ORDERED that the Distribution Plan is approved.

IT IS FURTHER ORDERED, pursuant to Rule 1105 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105, that James R. Doty of the law firm of Baker Botts L.L.P. is appointed as the Administrator of the Distribution Plan in accordance with the terms of the Distribution Plan, and that the bond requirement contained in Rule 1105(c), 17 C.F.R. § 201.1105(c), is waived for good cause shown in the Distribution Plan.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris
Secretary