

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

VALESKA SCHULTZ <i>et al.</i> ,	)	
Plaintiffs,	)	
v.	)	
EDWARD D. JONES & CO., L.P., <i>et al.</i> ,	)	
Defendants.	)	Case No. 4:16-cv-1346-JAR

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

*A federal court has authorized this Notice. This is not a solicitation from a lawyer.*

**PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR RIGHTS.**

You are receiving this Notice because the records of the Edward D. Jones & Co. Profit Sharing and 401(k) Plan (“the Plan”) indicate that you were a participant in the Plan who maintained a balance of any amount in the Plan at any point during the period from January 1, 2010 to December 13, 2018. As such, your rights may be affected by a proposed settlement of this class action lawsuit (the “Settlement”). **Please read the following information carefully to find out what the lawsuit is about, what the terms of the proposed Settlement are, what rights you have to object to the proposed Settlement agreement if you disagree with its terms, and what deadlines apply.**

You do not need to do anything to be a part of this Class or, if the Settlement is approved, to receive your share of the distribution. If you still have your savings in the Plan, your distribution will be made directly into your Plan account. If you have left the Plan, a check will be mailed to you.

**What this Lawsuit is About**

This class action lawsuit was filed on August 19, 2016, on behalf of certain Plan participants. Valeska Schultz, Melanie Waugh and Rosalind Staley (referred to as “**Plaintiffs**” or “**Class Representatives**”) are the named plaintiffs and the representatives on behalf of all members of the Settlement Class in the lawsuit.

Plaintiffs sued Edward D. Jones & Co., L.P., The Jones Financial Companies, L.L.L.P., the Edward Jones Investment and Education Committee, the Edward Jones Profit Sharing and 401(k) Administrative Committee and members of those committees (together, “**Defendants**”). The lawsuit involves claims that Defendants violated the federal Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. § 1104(a), by choosing investment funds that the Plan offered based on whether Edward Jones had a corporate relationship with the fund’s provider, not whether the fund was a prudent investment option. Plaintiffs allege that the Plan selected investment options that consisted predominantly of mutual funds managed by “partners” and “preferred partners” of Edward Jones — investment management companies that worked closely with Edward Jones brokers and agents and paid revenue sharing to Edward Jones based on Edward Jones marketing their funds to Edward Jones clients. Plaintiffs allege there were superior, less expensive investment options available that Defendants should have chosen for the Plan. Plaintiffs also allege that Defendants caused Plan participants to pay excessive recordkeeping fees.

Defendants deny all allegations of wrongdoing, fault, liability or damage to the Plaintiffs and the class, deny that they have engaged in any wrongdoing or violation of law or breach of duty, or acted in any way that was not in the best interest of the Plan, and believe they acted properly at all times.

**The Terms of the Settlement**

This case has been pending since August 2016. To avoid prolonging the litigation further, Plaintiffs and Defendants have agreed to a Settlement. Assuming the Settlement is approved by the Court, settling the case means that monetary relief will be distributed to the Settlement Class without the further delay and uncertainty of additional litigation. The terms of the Settlement are set forth in the Class Action Settlement Agreement, dated December 11, 2018 (“Settlement Agreement”), which is available at [www.edwardjones401ksettlement.com](http://www.edwardjones401ksettlement.com), and are summarized below.

1. **The Settlement Class Covered by the Settlement.** The Court certified a Settlement Class, and the Settlement applies to and is binding on that Class. The Settlement Class is defined as:

All current and former participants in the Plan who maintained a balance of any amount in the Plan at any point during the period from January 1, 2010 to December 13, 2018.

Defendants, including individual members of the Edward Jones Investment and Education Committee and the Edward Jones Profit Sharing and 401(k) Administrative Committee, as well as their beneficiaries, are excluded from the Class. Whether a person is a member of this Settlement Class is reflected in Edward D. Jones & Co., L.P.’s (“Edward Jones”) records. Such records indicate you

may be a member of the Settlement Class because you are a current or former participant in the Plan who maintained a balance of any amount in the Plan at any point during the period from January 1, 2010 to December 13, 2018.

The Payment and Allocation of a Settlement Fund. Edward Jones will cause \$3,175,000 (the “Settlement Amount”) to be paid to settle the lawsuit. This sum, after the deduction of reasonable amounts to be approved by the Court for Case Contribution awards to Plaintiffs and Attorneys’ Fees and Expenses, Administration Costs, and Taxes and Tax-Related Costs,<sup>1</sup> will be distributed to participants in the Plan during the relevant period, pursuant to a Plan of Allocation approved by the Court. The details of the Plan of Allocation are available at [www.edwardjones401ksettlement.com](http://www.edwardjones401ksettlement.com), and are generally calculated using the average year-end account balances of each participant during the Class Period. Pursuant to the terms of the Settlement Agreement, the Settlement Administrator has obtained Plan records and will pay your award, if any. Consequently, all inquiries related to such distributions should be addressed solely to the Settlement Administrator, at the address listed above.

2. The Release of Claims by the Settlement Class. In exchange for the Settlement Payment, all members of the Settlement Class will release Defendants from claims related to the facts or defenses asserted in the action. Specifically, they will release Defendants, and each of their predecessors, successors, parents, subsidiaries, affiliates, divisions, assigns, officers, directors, committees, partners, members, employees, fiduciaries, administrators, actuaries, agents, insurers, representatives, attorneys, retained experts and trustees (including but not limited to the current and past trustees or fiduciaries of the Plan and current and/or past members of the Edward Jones Investment and Education Committee and Edward Jones Profit Sharing and 401(k) Administrative Committee), from any and all claims for monetary, injunctive and all other relief against Defendants Edward D. Jones & Co., L.P., The Edward Jones Investment and Education Committee, The Edward Jones Profit Sharing and 401(k) Administrative Committee, Brett Bayston, Bonnie Caudle, Mark Vivian, Stina Wishman, Jan-Marie Kain, Linda Bannister, Ann Echelmeier, Curtis Long, David Gibson, Ken Blanchard, Jason Jonczak, Julie Rea, Asma Usmani, Glen Kolod, Juli Johnson, Jess Dechant and Peggy Robinson, as well as all other Defendant Released Parties that arise out of or relate to the transactions and occurrences asserted in the Action, or that could have been asserted in the Action, including, but not limited to, the selection and monitoring of Plan investment options and the expense of the Plan’s recordkeeper. Released Claims shall not include claims to enforce the covenants or obligations set forth in this Agreement, nor shall they include, and this Agreement does not in any way bar, limit, waive, or release, any individual claim by any Plaintiff or a Settlement Class Member for vested benefits that are otherwise due under the terms of the Plan. The Release is set forth in full in the Settlement Agreement, which can be viewed online at [www.edwardjones401ksettlement.com](http://www.edwardjones401ksettlement.com), or requested from Class Counsel.

#### **The Settlement Approval Process**

The Court granted preliminary approval of the proposed Settlement, and approved this Notice. The Settlement will not take effect, however, until the Court enters a final approval order. The Court will hold a Fairness Hearing on **April 18, 2019**, which will take place at the United States District Court for the Eastern District of Missouri, located at the Thomas F. Eagleton U.S. Courthouse, 111 South 10<sup>th</sup> Street, St. Louis, Missouri 63102 in Courtroom 12 North. The date and location of the Fairness Hearing is subject to change by order of the Court, which will appear on the Court’s docket for the case. Prior to the Fairness Hearing, the named Plan fiduciary will select an Independent Fiduciary to provide an authorization as may be required by Prohibited Transaction Exemption 2003-39 or any other applicable class or statutory exemptions.

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<sup>1</sup> All capitalized terms not defined in this Notice shall be construed consistent with the definitions provided in the Settlement Agreement.

### **The Opportunity to Object to the Settlement**

Prior to the Fairness Hearing, Class members will have the opportunity to object to the proposed Settlement. Class members can give reasons why they think the Court should not approve it. To object, you must send your objection to the Court, at 111 South 10<sup>th</sup> Street, Suite 3.300, St. Louis, MO 63102, and to the Parties at the following addresses:

To Class Counsel:

**Gregory Y. Porter**  
Bailey & Glasser LLP  
1055 Thomas Jefferson Street NW, Suite 540,  
Washington, DC 20007

**Mark G. Boyko**  
Bailey & Glasser, LLP  
8012 Bonhomme Ave. Suite 300  
St. Louis, MO 63105  
Telephone: (314) 863-5446  
Facsimile: (314) 863-5483  
Email: mboyko@baileyglasser.com

To Defendants' Counsel:

**Thomas J. Kavalier**  
Cahill Gordon & Reindel LLP  
80 Pine Street  
New York, NY 10005-1702  
Telephone: (212) 701-3406  
Facsimile: (212) 378-2230  
Email: tkavalier@cahill.com

**James F. Bennett**  
Dowd Bennett LLP  
7733 Forsyth Blvd. Suite 1900  
St. Louis, MO 63105  
Telephone: (314) 889-7302  
Facsimile: (314) 378-2230  
Email: jbennett@dowdbennett.com

Objections must be filed with the Court Clerk on or before **April 3, 2019**. Objections filed after that date will not be considered. Any Class member failing to submit a timely objection will be deemed to have waived any objection he or she might have, and any untimely objection will be barred absent an order from the Court. Objections must include: (1) the case name and number; (2) your full name, current address, telephone number and signature; (3) a statement that you are a Class member and an explanation of the basis upon which you claim to be a Class member; (4) all grounds for the objection, with specificity, accompanied by any legal support known to you or your counsel; (5) a statement as to whether you or your counsel intends to personally appear and/or testify at the Fairness Hearing; (6) a list of any persons you or your counsel may call to testify at the Fairness Hearing in support of your objection, and (7) whether your objection applies only to you, to a specific subset of the class, or to the entire class.

Anyone who files and serves a timely written objection in accordance with the instructions above may also appear at the Fairness Hearing either in person or through qualified counsel retained at his or her own expense. Those persons or their attorneys intending to appear at the Fairness Hearing must effect service of a Notice of Intention to Appear setting forth: (1) the name, address, and telephone number of the Settlement Class member, and (2) if applicable, the name, address, and telephone number of that Class member's attorney — on Class Counsel and Defendants' counsel (at the addresses set out above) and file it with the Court Clerk by no later than **April 3, 2019**. Anyone who does not timely file and serve a Notice of Intention to Appear in accordance with this paragraph shall not be permitted to appear at the Fairness Hearing, except by Order of the Court for good cause shown. Any comment or objection that is timely filed will be considered by the Court even in the absence of a personal appearance by the Settlement Class member or his or her counsel.

The Court will consider objections in deciding whether to grant final approval. Objectors are not required to attend the Fairness Hearing, but if you intend to appear you must state your intention to do so in the manner described above. Class members who do not comply with these procedures, or who miss the deadline to file an objection, lose the opportunity to have their objection considered by the Court or to appeal from any order or judgment entered by the Court regarding the Settlement.

**Attorneys' Fees and Case Contribution Award for Named Plaintiffs**

The Settlement Class is represented by Class Counsel. The attorneys for the Settlement Class are as follows:

Gregory Y. Porter	Mark G. Boyko
BAILEY & GLASSER LLP	BAILEY & GLASSER LLP
1055 Thomas Jefferson Street NW, Suite 540	8012 Bonhomme Ave, Suite 300
Washington, DC 20007	St. Louis, MO 63105

Class Counsel and the Class Representatives have devoted many hours to investigating the claims, bringing this case, and pursuing it for over two years. During that time, Class Counsel incurred case expenses in addition to the time spent by attorneys, paralegals, and others. Class Counsel also took the risk of litigation and have not been paid for their time and expenses while this case has been pending before the Court.

Class Counsel will file a motion with the Court seeking approval of payment from the Settlement Fund of the expenses they incurred in prosecuting the case, reasonable attorneys' fees, and a Case Contribution Award not to exceed \$10,000 for each of the three Class Representatives. Class Counsel intend to seek attorneys' fees not to exceed one-third of the Settlement Fund, or \$1,058,333. The motion and supporting papers will be filed on or before **March 19, 2019**. After that date, you may review the motion and supporting papers at [www.edwardjones401ksettlement.com](http://www.edwardjones401ksettlement.com). Any attorneys' fees, expenses, and Case Contribution Award approved by the Court, in addition to the expenses incurred by the Settlement Administrator in sending this Notice and administering the Settlement, will be paid from the Settlement Fund.

**Getting More Information**

You do not need to do anything to be a part of this Class or, if the Settlement is approved, to receive your share of the distribution. If you still have your savings in the Plan, your distribution will be made directly into your Plan account. If you have left the Plan, a check will be mailed to you.

You can visit the Settlement Website at [www.edwardjones401ksettlement.com](http://www.edwardjones401ksettlement.com) where you will find the full Settlement Agreement, the Court's order granting preliminary approval, this Notice and other relevant documents. If there are any changes to these deadlines, the date of the Fairness Hearing, or Settlement Agreement, those changes will be posted to the Settlement Website. You will not receive an additional mailed Notice with those changes, unless separately ordered by the Court. If you cannot find the information you need on the website, you may also contact **1-866-455-3740** for more information. Please do not contact the Court to get additional information.

Dated: January 17, 2019

By Order of the United States District Court  
District Judge John A. Ross