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Edward Jones Strikes \$34M Deal In Advisers' Race Bias Suit

By **Alexis Shanes**

Law360 (May 5, 2021, 10:16 AM EDT) -- Investing giant Edward D. Jones & Co. will pay \$34 million to settle a race discrimination class action brought by Black financial advisers under a deal that has won a green light from a Chicago federal judge.

U.S. District Judge Andrea Wood on Tuesday granted preliminary approval to the settlement and the class, which covers Edward Jones' U.S.-based Black financial advisers between May 2014 and December 2020. A final approval hearing is slated for July 12.

"The court preliminarily concludes that the settlement agreement is fair, reasonable, adequate and the result of extensive, arm's-length negotiations between experienced counsel and parties," Judge Wood wrote in Tuesday's approval order.

"The court finds that the proposed settlement agreement falls within the range of acceptable settlements such that notice to the class is appropriate," the order reads.

The suit alleges that Edward Jones had a pattern of discriminating against Black financial advisers, giving them less-profitable assignments and excluding them from professional development opportunities because of their race.

Plaintiff Wayne Bland originally filed the class action in May 2018, alleging race discrimination under Section 1981 of the Civil Rights Act of 1866. That July, he added a claim under Title VII of the Civil Rights Act of 1964, and co-plaintiffs Felicia Slaton-Young and Nyisha Bell joined the case.

The settlement includes \$150,000 service awards for each of the three lead plaintiffs. According to the deal, class counsel plan to seek attorney fees worth no more than a quarter of the \$34 million settlement, or roughly \$8.5 million.

The class, which includes more than 800 current and former Black financial advisers, originally proposed the settlement in a March 19 motion. The agreement is a result of more than a year of negotiations, according to the brief.

As part of the deal, Edward Jones will revise its employment agreement for new financial advisers. The company previously charged financial advisers up to \$75,000 in "training costs" if they were fired or left for a competitor.

According to the settlement, Edward Jones will waive those fees for employees fired before Jan. 1, eliminating costs valued at more than \$20 million, according to the brief. Going forward, it will lower the costs to \$50,000 for financial advisers who leave the company, according to the settlement.

In addition to the monetary relief, Edward Jones has agreed to a three-year program to create a diversity, equity and inclusion council of financial advisers. Within that council, a group of Black employees will work with the company's leadership to improve opportunities and outcomes for African American financial advisers, according to the brief.

In a Wednesday statement, a spokesperson for Edward Jones said the company had created a five-

point plan to support financial advisers of color, a commitment that includes hiring, training and promotions. The company said the settlement is in line with those measures.

"We reached this agreement because it is in the best interest of Edward Jones and allows our firm to move forward," the spokesperson said. "We remain committed to creating a place of belonging for our associates and our clients, and making a positive impact in our communities."

An attorney for the class did not immediately respond Wednesday to a request for comment.

The class is represented by Linda Friedman, George Robot and Suzanne Bish of Stowell & Friedman Ltd.

Edward Jones is represented by James Bennett, Jennifer Kingston, John Rehmann II and Michelle Nasser of Dowd Bennett LLP, Brian Amery, Stuart Roberts and Carole Miller of Bressler Amery & Ross PC, and Julie Porter of Salvatore Prescott Porter & Porter PLLC

The case is Bland et al. v. Edward D. Jones & Co. LP, case number 1:18-cv-03673, in the U.S. District Court for the Northern District of Illinois.

--Editing by Robert Rudinger.

Update: This article has been updated with comment from Edward Jones.

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