

May 25, 2018

# Former Broker Alleges Widespread Race Discrimination at Edward Jones

by [Jed Horowitz](#)

[News](#)

[EDWARD JONES](#)



*ktsimage/iStock/Getty Images*

*(Updates 8th paragraph to say that Bland is currently a principal at an RIA firm.)*

A broker who worked at Edward Jones in South Carolina for a little over a year filed a putative class-action lawsuit on Thursday accusing the firm and its parent company of a widespread pattern of discrimination against African Americans.

Jones, the biggest U.S. retail brokerage firm as measured by its more than 16,000 brokers, systematically denies black Americans income and advancement opportunities through policies and practices that begin during training and extend through office and teaming assignments, sales support and account inheritance programs, according to the lawsuit filed in the northern district of Illinois' eastern division in Chicago.

"Edward Jones maintains stereotypical views about the skills, abilities and potential of African Americans that infect and form the basis of the centralized policies and practices challenged by this lawsuit," said the complaint, which seeks to certify as class members current and former African American financial advisers who worked at Jones over the past four years.

The suit was filed by civil rights law firm Stowell & Friedman on behalf of named plaintiff Wayne Bland, who joined Jones in 2014 after almost four years at LPL Financial and six years at a unit of Vanguard, according to his BrokerCheck profile.

It follows a series of racial and sexual discrimination lawsuits the Chicago-based firm has brought against wirehouses. They include a [case filed in February against Morgan Stanley](#) on behalf of a training officer who alleged the firm violated terms of its earlier racial discrimination lawsuit settlements and an action from veteran Merrill Lynch broker George McReynolds that resulted in a [\\$160 million](#) settlement from the firm in 2013.

"Our hope, frankly, was that with the changes at the bigger wirehouse, the smaller or more regional or decentralized firms would feel impacted," said Suzanne Bish, a partner at Stowell & Friedman. "We have not found that was the case."

John Boul, a spokesman for St. Louis-based Jones, said the company is reviewing the filing but on preliminary review strongly disagrees with the allegations. "We intend to vigorously defend these actions in court," he wrote in an email.

Bland, who is currently a principal at Metro Retirement Plan Advisors, a Charlotte-based firm, alleges that Jones authorized a white broker with less experience to prospect in an affluent, predominantly white neighborhood while limiting him to a predominantly African American neighborhood that the firm knew could not sustain a financial advisory business. He similarly alleges that he was not allowed to receive leads or accounts from more experienced advisors through Jones' Legacy and Goodknight programs. Jones also relegated him to work without sales support from his home, he said.

When he was allowed to share an office with with a senior advisor in Lake Wylie, S.C., after five months, he was housed in a storage room, and when the senior advisor left Jones, "tens of million of dollars" of his client accounts were assigned to a white FA with less industry and firm experience, the lawsuit alleges. It also asserts that Bland, who was assigned to the unpaid role of "diversity inclusion specialist" for his region, was targeted for unspecified retaliation after reporting "racially hostile statements" to management, according to the lawsuit.

In addition to seeking class-action certification, the lawsuit seeks past and current compensation and benefits that the plaintiffs lost or will lose as a result of Jones'

discriminatory practices, reinstatement of plaintiffs to their “appropriate positions,” unspecified compensatory and punitive damages and “make whole equitable” relief that the court will determine “to end the discrimination and fairly compensate” the plaintiff.

Edward Jones was [sued in March by customers](#) in a putative class-action lawsuit that alleges the firm shuttled them to fee-based accounts in an illegal reverse churning scheme that benefited itself and its brokers. Boul, the Jones spokesman, said on Friday that the firm denies the allegations and believes it has complied with all local, state and federal laws related to compensation.