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EDWARD D. JONES & CO. L.P.,
A Missouri Limited Partnership,

Plaintiff,

vs.

JAMES PAUL FARRELL,

Defendant.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION: BERGEN COUNTY

DOCKET NO.:

COMPLAINT

Plaintiff, Edward D. Jones & Co., L.P. ("Edward Jones"), by and through its undersigned attorneys, Lubiner, Schmidt & Palumbo, LLC, for its Complaint seeking temporary restraints and a preliminary injunction in aid of arbitration, against the defendant, James Paul Farrell, ("Defendant") arising from (i) breach of contract; (ii) misappropriation of trade secrets and proprietary information; (iii) tortious interference with contract and with business relationships; (iv) breach of fiduciary duty; and (v) unfair competition, hereby alleges as follows:

I. PARTIES

1. Edward Jones is a limited partnership maintaining its principal place of business in St. Louis County, Missouri, and doing business in Bergen County, New Jersey, at offices located at 560 Sylvan Avenue, Suite 3270, Englewood Cliffs, New Jersey, 07632 (the "Branch").

2. Defendant is a former Edward Jones financial advisor at the Branch and, upon information and belief, is currently employed in Bergen County at a competitor, Ameriprise Financial Services, Inc. (“Ameriprise”) located at 80 East Route 4, Paramus, New Jersey, 07652.

3. Edward Jones seeks immediate pre-arbitration relief pursuant to Rule 13804 of the Financial Industry Regulatory Authority (“FINRA”) Code of Arbitration Procedure for Industry Disputes.

II. FACTUAL BACKGROUND

4. Edward Jones engages in the business of providing financial services.

5. Defendant worked for Edward Jones as the only financial advisor at the Branch, between July 2011 and March 1, 2019.

6. In pertinent part, the terms, conditions, and provisions of Defendant’s employment with Edward Jones provided that Edward Jones train and employ Defendant as a financial advisor in a sales capacity or in a sales position, pay Defendant commissions and fees, and provide Defendant with the tools and support necessary to serve as an Edward Jones financial advisor.

7. Edward Jones satisfied its contractual obligations to Defendant. More specifically, throughout his employment Edward Jones trained Defendant as a financial advisor, registered him with various exchanges, e.g. the New York Stock Exchange, paid him the requisite commissions and fees, provided him Edward Jones benefits, and provided him with office facilities, branch office administration services, clearing services, operational systems, product inventory, research, promotional marketing, and the use and benefit of Edward Jones advertising, goodwill, and name recognition.

8. In addition to the foregoing, Edward Jones provided Defendant with client accounts, client referrals, reassignments of former and current Edward Jones accounts, client leads, and new accounts generated by Edward Jones’ national advertising campaign and years of work cultivating clients in the area serviced by the Branch.

9. By virtue of Defendant's employment at Edward Jones, Defendant gained access to the books and records of Edward Jones and the confidential information contained therein, particularly the identities of the Edward Jones clients of the Branch. This confidential client information included client names and addresses, financial statements, investment objectives, assets, net worth information, investment histories, and Edward Jones account holdings. Prior to Defendant's resignation from Edward Jones, the Englewood Cliffs branch office managed over \$67 Million in assets for its clients.

10. At the outset of his employment, in or around April 2011, Defendant executed a Financial Advisor Employment Agreement (the "Agreement"), attached hereto as Exhibit A. By signing the Agreement, Defendant acknowledged and agreed "that all records of Edward Jones ...including, but not limited to,...the identities, names, addresses and telephone numbers of any account and/or client...constitute trade secrets of Edward Jones." Exhibit A at § 13. He also promised that, upon termination, he would return all records or copies in any form to Edward Jones. Exhibit A at § 13. Further, Defendant agreed not to use any such information acquired during his employment in a manner adverse to the interests of Edward Jones. Exhibit A at § 13.

11. By signing the Agreement, Defendant also promised not to solicit, directly or indirectly, the securities or insurance business of Edward Jones clients with whom he personally interacted while employed at Edward Jones or about whom he obtained Edward Jones trade secret or proprietary information. Exhibit A at § 13. Defendant agreed that any breach of this term entitled Edward Jones to injunctive relief. Exhibit A at § 14.

12. As a condition of his employment with Edward Jones, Defendant also agreed to read and familiarize himself with the Edward Jones Compliance Manual (the "Manual"). The Manual contains the following policy on the confidentiality of client information:

The Uniform Trade Secrets Act forms the basis for this policy.

A "trade secret" is defined by the Uniform Trade Secrets Act as "information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

- Derives independent economic value, actual or potential, from not being generally known to, and
- Not being readily ascertainable, by proper means, by other persons who can obtain economic value from its disclosure or use, and
- Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy

Policy

Edward D. Jones & Co., L.P. (collectively with its affiliates, "Edward Jones") considers as its trade secrets, ("Trade Secrets"), and intends to keep confidential, everything protected under the Uniform Trade Secrets Act as well as the following:

- Information concerning Edward Jones' management, financial condition, financial operation, purchasing activities, sales activities, marketing activities and business plans, or other activities
- Information concerning actual or potential Edward Jones clients, including their identities, contact information, and financial information

Trade Secrets include both information learned by Edward Jones partners and associates (collectively, "Associates") during their time working for Edward Jones and information developed by Associates in the course of their work for Edward Jones.

By virtue of employment with Edward Jones, or as owner of The Jones Financial Companies, L.L.L.P., one may be entrusted with or have access to Trade Secret information. Under the law, associates are obligated not to disclose or use, except in their work at Edward Jones, any Trade Secret. This obligation exists both during and after one's employment with Edward Jones and for so long as the Trade Secret is not generally known outside Edward Jones.

Upon termination of employment with Edward Jones, one must promptly deliver to Edward Jones all such documents, media and other items in one's possession, including all complete or partial copies, recordings, abstracts, notes or reproductions of any kind made from or about such documents, media, items or information contained therein.

Purpose of Policy

Edward Jones has spent and continues to spend significant resources developing and collecting information required to successfully operate its business. This information is entrusted to Associates.

Certain information is to be kept confidential due to its value to Edward Jones. Failure to keep this information confidential can cause significant harm to Edward Jones, including monetary loss. Unauthorized use or misappropriation of Trade Secrets violates Edward Jones policy, and state and federal law.

13. Defendant resigned from Edward Jones on Friday March 1, 2019, and, on information and belief, immediately joined the Paramus, New Jersey, office of Ameriprise, a nearby financial services firm and competitor of Edward Jones.

14. While still employed by Edward Jones and thereafter, upon information and belief, Defendant conspired with Ameriprise to wrongfully convert Edward Jones trade secrets and to divert Edward Jones clients to Ameriprise.

15. Prior to his resignation, Defendant took Edward Jones client records and information, that was confidential and proprietary to Edward Jones, which he has not returned and which he is using to solicit Edward Jones clients that he had served.

16. Edward Jones clients formerly served by Defendant have received packages of written materials, as well as telephone calls and personal visits soliciting them to open accounts with Ameriprise after Farrell resigned from Edward Jones.

17. Thus, Defendant has engaged the following acts in violation of his contractual and legal obligations:

- a) Soliciting his former Edward Jones customers to open accounts with him at Ameriprise,
- b) Using confidential Edward Jones customer information to do so,
- c) Removing such information from Edward Jones while still an Edward Jones employee, and
- d) Sharing such information with Ameriprise and possibly others.

18. Defendant continues to solicit his former Edward Jones clients to move their accounts to Ameriprise, using Edward Jones trade secrets in the form of confidential client information, including lists of Edward Jones client accounts and/or copies or reproductions thereof. Unless the Court enjoins his conduct, Defendant will continue to use this information to solicit Edward Jones accounts and divert client relationships and the business of Edward Jones clients from Edward Jones to Ameriprise. Such acts breach Farrell's Edward Jones employment agreement and Edward Jones policies and procedures, breach his fiduciary duties, and constitute tortious conduct.

19. The dispute between the parties is an industry dispute subject to mandatory arbitration under Rule 13200 of the FINRA Code; however, the FINRA Code does not provide a mechanism for parties to obtain emergency injunctive relief in the arbitral forum. Instead, the FINRA Code allows a party seeking such relief to petition a court for a temporary injunction while simultaneously filing a statement of claim for the dispute with FINRA. If the Court grants temporary injunctive relief, the FINRA arbitration panel must hold a hearing on the dispute within 15 days after the date of the court's order, unless the parties agree to a different timeframe. FINRA Rule 13804(b)(1). Edward Jones has filed a statement of claim with FINRA simultaneously with the filing of the present action in this Court. Therefore, after the Court rules on Edward Jones' request for temporary injunctive relief, Edward Jones will request a stay of this matter to allow the dispute to continue in arbitration.

COUNT I
BREACH OF CONTRACT

20. Edward Jones incorporates the preceding paragraphs herein by reference as if set forth in full.

21. Defendant entered into the Agreement at the outset of his employment with Edward Jones, and, as a condition of that employment, Defendant agreed to follow the Edward Jones policies in the Manual. See Exhibit A at § 18.

22. Defendant violated the terms and conditions of the Agreement and the Manual by:

(a) Soliciting his former Edward Jones clients to terminate their relationships with Edward Jones and transfer their accounts to Ameriprise,;

(b) Removing from Edward Jones original and/or copies or other reproductions of Edward Jones documents and/or conversion of confidential Edward Jones business records, including the client lists, account numbers, addresses, trading activity, and client investment holdings, for personal use; and

(c) Transmitting verbally, in writing, or in any other manner, to Ameriprise and/or others, client names and addresses and other client information contained in Edward Jones records.

23. Defendant continues to violate these contractual obligations.

24. Defendant's breaches of those contractual obligations have already caused and continue to cause immediate and irreparable harm to Edward Jones and its clients. Defendant's breaches of his Agreement have already reduced the total client assets managed by the Branch of Edward Jones by over \$18 Million. The continued solicitation of Edward Jones clients and use and disclosure of Edward Jones trade secrets threatens to increase these losses and further expose sensitive client information to unauthorized parties.

WHEREFORE, Edward Jones requests the Temporary Restraints and Preliminary Injunction as described in Count VI herein to go into effect immediately and remain in effect until further Order of this Court.

COUNT II
MISAPPROPRIATION OF TRADE SECRETS AND PROPRIETARY INFORMATION

25. Edward Jones incorporates herein the preceding paragraphs by reference as if set forth in full.

26. As discussed herein, Edward Jones considers its client lists and client information, including client names and addresses, social security numbers, financial statements, investment objectives, assets, net worth information, investment histories, and Edward Jones account holdings, confidential and proprietary.

27. Edward Jones takes reasonable measures to keep its client lists and client information secret. For example, as a part of the terms of employment stated in their employment agreements, Edward Jones financial advisors acknowledge the confidentiality and proprietary and trade secret nature of this client information and that they must surrender any client records and files to Edward Jones upon the termination of their employment. Edward Jones internal policies require investment advisors to review and acknowledge the confidentiality and trade secret status of client information twice yearly. Edward Jones also limits a financial advisor's access to client information to only those clients for whom he acts as a designated registered representative of Edward Jones.

28. The client lists and information of Edward Jones derive independent economic value, actual or potential, from not being generally known to, or readily ascertainable through proper means.

29. All of these factors qualify Edward Jones client lists and client information qualify as trade secrets at common law as well as under the New Jersey Trade Secrets Act found at N.J.S.A. §56:15-1, et. seq.

30. Defendant misappropriated the trade secrets of Edward Jones by:

(a) Removing from Edward Jones original and/or copies or other reproductions of Edward Jones documents and/or conversion of confidential Edward Jones business records, including the client lists, account numbers, addresses, trading activity, and client investment holdings, for personal use;

(b) Transmitting verbally, in writing, or in any other manner, to Ameriprise and/or others, client names and addresses and other client information contained in Edward Jones records; and

(c) Using that information to Solicit and/or preparing to solicit Edward Jones clients to terminate their relationships with Edward Jones and transfer their accounts to Ameriprise.

31. Defendant's misappropriation of Edward Jones trade secrets already caused and continues to cause immediate and irreparable harm to Edward Jones and its clients. Defendant's use of Edward Jones trade secrets already reduced the total client assets managed by the Branch of Edward Jones by over \$18 Million. The continued use and disclosure of Edward Jones trade secrets threatens to increase these losses and further expose sensitive client information to the general public.

WHEREFORE, Edward Jones requests that the Court order the Temporary Restraints and a Preliminary Injunction as described in Count VI herein to go into effect immediately and remain in effect until further Order of this Court.

COUNT III
TORTIOUS INTERFERENCE WITH BUSINESS RELATIONSHIPS

32. Edward Jones incorporates herein the preceding paragraphs by reference as if set forth in full.

33. Edward Jones has longstanding business and contractual relationships with the clients previously serviced by the Defendant. With knowledge of these contracts and relationships, Defendant has used improper means to interfere with Edward Jones's existing business and contractual relationships and potential relationships with them despite the fact that Defendant was contractually barred from doing so, directly or indirectly and/or through the use of misappropriated confidential and trade secret information.

34. As a consequence of such unlawful conduct by Defendant, Edward Jones has suffered and will continue to suffer irreparable harm and damages. Defendants have caused, continue to cause, and threaten to cause further substantial damage to Edward Jones, including through the potential loss of client relationships, goodwill, confidential information, as well as revenues. Unless restrained by this Court, their unlawful conduct threatens to cause Edward Jones further irreparable harm, including the undermining and jeopardizing of valued client relationships, many of which have been cultivated by Edward Jones over many years.

WHEREFORE, Edward Jones requests the Temporary Restraints and Preliminary Injunction as described in Count VI herein to go into effect immediately and remain in effect until further Order of this Court.

COUNT IV
BREACH OF FIDUCIARY DUTY

35. Edward Jones incorporates herein the preceding paragraphs by reference as if set forth in full.

36. Defendant violated the common law fiduciary duty of loyalty to his then Employer by taking Edward Jones trade secret and proprietary customer information, sharing that

information with his new employer and/or other parties to create document packages to be sent to Edward Jones clients upon his resignation.

37. Defendant also declined to pursue business opportunities in the months before his resignation that belonged to Edward Jones and took files enabling him to pursue those opportunities after he resigned from Edward Jones.

38. Defendant's breach of this duty already caused and continues to cause immediate and irreparable harm to Edward Jones and its clients. Defendant's use of Edward Jones trade secrets has already reduced the total client assets managed by the Branch by over \$18 Million. The continued use and disclosure of Edward Jones trade secrets threatens to increase these losses and further expose sensitive client information to the general public.

WHEREFORE, Edward Jones requests the Temporary Restraints and Preliminary Injunction as described in Count VI herein to go into effect immediately and remain in effect until further Order of this Court.

COUNT V **UNFAIR COMPETITION**

39. Edward Jones incorporates herein the preceding paragraphs by reference as if set forth in full.

40. Defendant's use of Edward Jones' trade secrets, particularly Edward Jones client lists and information, for his personal benefit and the benefit of his new employer Ameriprise, a competitor of Edward Jones, and his solicitation of his prior Edward Jones clients on behalf of Ameriprise, in violation of his contractual obligations, constitutes an unfair method of competition under New Jersey law.

41. Defendant's engagement in unfair competition has already caused and continues to cause immediate and irreparable harm to Edward Jones and its clients. Defendant's wrongful conduct has already reduced the total client assets managed by the Branch by over \$18

Million. The continued use and disclosure of Edward Jones trade secrets and solicitation of Edward Jones clients threatens to increase these losses and further expose sensitive client information to unauthorized third parties.

WHEREFORE, Edward Jones requests the Temporary Restraints and Preliminary Injunction as described in Count VI herein to go into effect immediately and remain in effect until further Order of this Court.

COUNT VI
INJUNCTIVE RELIEF

42. Edward Jones incorporates herein the preceding paragraphs by reference as if set forth in full.

43. The facts set forth in the Certifications filed with this Complaint demonstrate the likelihood of success on the merits of Edward Jones' case against Defendant for a breach of contract, misappropriation of trade secrets, tortious interference with business relationships, breach of fiduciary duty, and/or unfair competition.

44. Unless Defendant is preliminarily and permanently enjoined from the foregoing conduct, Edward Jones will be irreparably harmed through (1) the loss of client relationships, patronage, confidence and goodwill, (2) present and future loss that is not subject to accurate calculation and (3) continued loss and disclosure of proprietary and trade secret information.

45. No remedy at law adequately protects Edward Jones from that continuing irreparable harm.

46. Defendant expressly consented to the issuance of injunctive relief in court in his employment Agreement in the event he decided to take the action described in this Complaint. *See Exhibit A at § 14.*

47. Both the balancing of the interests of the parties and the consideration of public interests support the ordering of injunctive relief.

WHEREFORE, Edward Jones respectfully requests the Court order the following:

(1) Temporary Restraints, issue immediately and thereafter a Preliminary Injunction, both enjoining Defendant, directly or indirectly, whether alone or in concert with others, including any officer, agent, employee and/or representative of Ameriprise, from doing any of the following:

(a) soliciting, diverting, enticing or taking away or attempting to solicit, divert, entice or take away any client of Edward Jones, with whom Defendant had contact, involvement or responsibility during Defendant's employment with Edward Jones and/or about whom Defendant learned Edward Jones proprietary or trade secret information (excluding clients with whom Defendant did securities or insurance business before Defendant became an employee of Edward Jones);

(b) using, disseminating, transmitting or otherwise disclosing Edward Jones' confidential and proprietary information and trade secrets, including, all books, records, lists, documents and information pertaining to Edward Jones's business activities, including but not limited to client information, clients' accounts, and the names, addresses, social security numbers, or other information related to said clients and accounts;

(c) taking any actions that may unlawfully interfere with Edward Jones's property rights in lists of clients and client information or otherwise reduce the value of such lists and information to Edward Jones;

(d) provided that that **Nothing in such Order shall prevent defendant from servicing existing clients or complying with FINRA Rule 2140;** and

(2) That Defendant, and anyone acting in concert with Defendant, including Defendant's counsel and any agent, employee, officer, or representative of Ameriprise, return to Edward Jones' counsel any and all records, documents, and/or Client Information, whether in original, copied, computerized, handwritten or any other form, and to purge any and all Client Information from his possession, custody, or control within 24 hours of notice to Defendant or his counsel of the terms of this Order, provided, however, that any Client Information so purged shall be printed prior to purging and returned to Edward Jones pursuant to this paragraph; and

(3) That such Order shall remain in full force and effect until further Order of the Court;

(4) Pursuant to the requirements of sections 3 and 4 of the Federal Arbitration Act, 9 U.S.C. §§ 3-4, the parties shall proceed expeditiously with arbitration pursuant to Rule 13804 of FINRA Code of Arbitration Procedure for Industry Disputes;

(5) Defendant shall appear before the Court and show cause why a Preliminary Injunction on these terms should not be ordered; and

(6) Any and all other such relief that the Court deems just and equitable.

DATED this 23rd day of April, 2019.

LUBINER, SCHMIDT & PALUMBO, LLC

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ATTORNEYS FOR PLAINTIFF
EDWARD D. JONES & CO., L.P.

EXHIBIT "A"

FINANCIAL ADVISOR EMPLOYMENT AGREEMENT (Licensed Non-Producer)

(To be used in all States other than California, Montana,
New Hampshire, New York, North Dakota and South Dakota)

Edward Jones hereby accepts your application for registration with the Financial Industry Regulatory Authority as a financial advisor of Edward Jones.

In this Agreement "you," "your," and "financial advisor" shall mean the person signing this Agreement and accepting employment with Edward Jones as a registered representative.

In consideration of acceptance of the above and other good and valuable consideration, you agree that:

1. Upon execution of this Agreement and upon registration with the Financial Industry Regulatory Authority (FINRA) you will be employed as a financial advisor of Edward Jones, subject to the satisfactory completion of the investigation described in Paragraph 2. As a financial advisor your duties shall include, but not be limited to, analysis of client financial information, review of financial and investment products, providing advice and counsel to clients on financial products and investment strategies, the marketing of financial products, and the solicitation and procurement of applications, orders and contracts for securities products and brokerage services offered through Edward Jones, and other duties assigned by Edward Jones to you from time to time.

2. You acknowledge that the offer of employment extended to you by Edward Jones is conditioned upon the satisfactory conclusion of a review of your background and prior employment in the securities industry by the Compliance Department of Edward Jones. You agree that Edward Jones shall have the opportunity to investigate your previous employment and background. Such investigation may include contact with your former employer(s); self-regulatory organizations; state securities administrators; the Securities and Exchange Commission; or any other entity, agency or person, as Edward Jones, in its sole discretion, may deem advisable. At any time while Edward Jones is conducting this investigation, or at the conclusion thereof, Edward Jones may withdraw its offer of employment previously extended to you and consider said offer void notwithstanding any purported acceptance by you, and terminate any existing relationship with you. This decision shall rest solely in the discretion of Edward Jones. You agree that your employment is conditional upon your achieving and maintaining all regulatory or other qualifications and requirements which Edward Jones determines are applicable from time to time including, without limitation, achieving and maintaining the applicable licensing requirements to sell securities. You acknowledge that your employment with Edward Jones is "at-will" and that at any time during your employment, either you or Edward Jones may terminate your employment at any time with or without cause and with or without notice.

3. You agree that you will take no action(s) which would commit Edward Jones in any way to the rental or

leasing of office space. Further, you agree to take no action(s) which would terminate or affect the rental or lease arrangements of your present branch office. You further understand that you have no authority to enter into any lease or lease amendment regarding office space on behalf of Edward Jones as tenant of the branch office. You agree that all actions and any other commitment whatsoever made by you on behalf of Edward Jones shall be suitable, appropriate, conducted in good faith and not done to place Edward Jones at a competitive disadvantage upon your employment termination.

4. You shall keep and preserve all property of Edward Jones and shall deliver such property to Edward Jones, if requested, during the course of your employment. In the event your employment with Edward Jones ends either through termination by Edward Jones or by your resignation, you will surrender to Edward Jones all of said property which shall remain the property of Edward Jones.

5. The Edward Jones Commissions Policy, which is subject to change from time to time in the sole discretion of Edward Jones, explains when commissions are earned by you and is fully incorporated into this Agreement. Subsequent to termination, your right to commissions ends with trades settling during your month of termination. You must be employed by Edward Jones on the distribution date of any bonus, trip, award, or other incentive compensation program to be entitled to any portion thereof. Accordingly, in the event your employment with Edward Jones is terminated prior to any said distribution date, all rights and interest in any subsequent bonus, trip, award or other incentive compensation program are forfeited. This Agreement further incorporates the Firm's description of the Treatment of Business Expenses, which may be found on JonesLink and which is subject to change from time to time.

6. During the course of your employment you may be paid a share of continuing service fees or trail commissions received by Edward Jones from certain investment companies for purchases made by or account balances maintained in client accounts serviced by you. Such fees are the property of Edward Jones and you have no continuing interest or right to receive any portion of them after the termination of your employment. In addition, during the term of your employment you have no right to sell, assign or bargain with regard to any share of such fee which Edward Jones may from time to time allocate and pay to you.

7. Edward Jones prefers to pay all compensation through Direct Deposit. Your signature below indicates that you consent to monthly payment of your compensation by Direct Deposit. You will also be asked to provide Edward Jones with a Direct Deposit authorization designating the account to which your compensation is paid. You may receive payment in an

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New Hampshire, New York, North Dakota and South Dakota)

Edward Jones money market account or by electronic funds transfer to the financial institution of your choice.

8. You shall devote your efforts solely to the business of Edward Jones without any exclusive right to any particular territory. Unless prior written approval is granted by Edward Jones, you will not be licensed or registered with another broker or dealer, and will not engage in any other business, occupation, job, work, employment or self-employment, while employed by Edward Jones. This restriction includes, but is not limited to, officerships or directorships in any company or partnership interest in any for-profit organization. Excluded from the restriction are investments in limited partnerships as may have been approved by Edward Jones prior to your investment therein, or as may be offered to you through Edward Jones.

9. In the event you become licensed to sell insurance/annuities, you agree that commissions derived from the sale or handling of such contracts are the sole property of Edward Jones, and you will forward all commission checks received by you to Edward Jones. In the event you had engaged in sales of insurance/annuities prior to your employment with Edward Jones, you may continue to receive renewal or trail commissions resulting from such prior sales only upon the express written consent of Edward Jones. Your share, if any, of such renewal/trail commissions will be determined by Edward Jones in its sole discretion in the event Edward Jones agrees to enter a limited dealer agreement with the issuer of the contracts. If Edward Jones should agree to enter a limited dealer agreement as described herein, you agree that you will not originate any new business on behalf of the issuer, but will only accept your share of renewal/trail commissions stemming from previous sales as determined by Edward Jones.

10. You shall not contract or incur any indebtedness in the name of Edward Jones. A principal of Edward Jones or its designee, based at the headquarters in St. Louis, Missouri, shall approve and sign all contracts for Edward Jones local offices on your behalf.

11. You will notify Edward Jones promptly if, during your employment: (i) you become involved in any litigation or any judgments are adjudicated or entered against you; (ii) your registration or license to sell or deal in securities and/or insurance is refused, suspended or revoked; (iii) you become enjoined, temporarily or otherwise, from selling or dealing in securities and/or insurance or from functioning as a financial advisor; (iv) you are arrested, summoned, arraigned or indicted for any criminal offense (except minor traffic offenses); or (v) you become involved in bankruptcy proceedings or in any other matter required to be reported to others under applicable law or regulations.

12. You shall at no time while this Agreement is in effect or thereafter: (i) attempt to induce any person to

terminate an agreement or relationship with Edward Jones without Edward Jones' written consent; (ii) attempt to cause any holder of a certificate, stock, or other security to cease his/her performance under the terms of a contract with Edward Jones; or (iii) solicit or recommend the makings of unwarranted claims against Edward Jones.

13. You agree that all records of Edward Jones, whether original, duplicated, computerized, memorized, handwritten, or in any other form, and all information contained in those records, whether generated by Edward Jones or you including, but not limited to, Edward Jones' processes, methods, plans, data, operations and the identities, names, addresses and telephone numbers of any account and/or client are confidential, proprietary to Edward Jones and constitute trade secrets of Edward Jones ("Edward Jones Trade Secrets"). Edward Jones Trade Secrets are and shall remain the sole and exclusive property of Edward Jones at all times during your employment with Edward Jones and after the termination of your employment. You shall at no time, while this Agreement is in effect or thereafter, use any Edward Jones Trade Secrets acquired by you during the period of this Agreement in a manner adverse to the interest of Edward Jones. You agree that Edward Jones is legally obligated to maintain the confidentiality and privacy of client information. You further agree that Edward Jones has represented and warranted to its clients that their information is confidential and not disclosed to third parties, other than companies, including Edward Jones affiliates, who assist Edward Jones with a variety of business activities necessary to provide services to Edward Jones clients, as required by the Gramm-Leach-Bliley Act. It shall constitute a violation of this Agreement for you to provide client information to other than Edward Jones employees who have need to access said information for the purpose of providing investments and services to clients of Edward Jones. You agree that Edward Jones does not disclose any personal information about its clients or former clients to anyone except as required or permitted by law. It shall constitute a breach of this Agreement for you to provide client information to anyone without the express written permission of Edward Jones including, but not limited to, prospective or future employers, for any purpose whatsoever. It shall further constitute a violation of this Agreement for you to intentionally access a protected Edward Jones computer or a protected laptop computer without authorization from Edward Jones or to exceed authorized access to obtain information of any kind, including Edward Jones Trade Secrets, and including but not limited to those actions which are in violation of 18 U.S.C. §1030 et seq.

These Edward Jones Trade Secrets, whether provided to you by Edward Jones or by any clients of Edward Jones, are entrusted to you as an employee and representative of Edward Jones. These Edward Jones Trade Secrets are unique, extremely valuable to Edward Jones, and are developed and acquired by great expenditures of time,

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effort, and cost. You agree that all of said Edward Jones Trade Secrets or any part of them are the sole proprietary information of Edward Jones and shall be treated by you at all times as confidential information of Edward Jones. You further agree that (a) the identity and particular needs of Edward Jones' clients have actual or potential independent economic value because such information is not generally known and is not readily ascertainable by proper means by competitors of Edward Jones or others in the industry; (b) Edward Jones has a proprietary interest in the identity of its clients and all other information about its clients; and (c) documents and information regarding Edward Jones' processes, methods, plans, data, operations, and the identities, names, addresses and telephone numbers of any account and/or client are highly confidential and are protected from disclosure as Trade Secrets or otherwise proprietary and confidential information. You will not use these Edward Jones Trade Secrets or remove any records or duplicates of records containing Edward Jones Trade Secrets from any Edward Jones premises except for the purpose of conducting business on behalf of Edward Jones. You further agree not to divulge or disclose these Edward Jones Trade Secrets to any third-party, either during your employment or at any time thereafter.

In the event of the termination of your employment with Edward Jones, for any reason whatsoever, you agree to return any original records and any copies whatsoever of documents or any computerized records containing Edward Jones Trade Secrets or any confidential and proprietary information which have been removed from Edward Jones. If Edward Jones provides you with a laptop computer and an accompanying printer in order to facilitate your performance of your duties, you agree to return the computer, the printer, and any related accessories or connectors to Edward Jones immediately upon your termination of employment. You agree that Trade Secrets of Edward Jones include all data on the laptop computer including the hard drive, zip drive and software, including programs. Client information and Edward Jones Trade Secrets, as defined in Paragraph 14, remain the exclusive property of Edward Jones whether retained on computer disk, transferred to another computer or storage device or converted to any other format, including paper copies. If you fail to return the requested items immediately upon the termination of your employment, you agree to repay to Edward Jones the reasonable replacement costs of the requested items as well as all costs of collection including, but not limited to, attorney fees, filing fees and/or all fees assessed by FINRA pursuant to the Code of Arbitration Procedure. You further agree that the reasonable replacement cost of this equipment is \$3,000.00.

Furthermore, you agree for a period of one year following the termination of your employment, that you will not solicit by mail, phone, electronic communication, personal meeting, or any other means, either directly or indirectly, any clients of Edward Jones with whom you

had direct contact during your employment with Edward Jones or about whom you have information or knowledge of confidential information or Edward Jones Trade Secrets, provided that the foregoing provision shall not apply to clients with whom you did securities and/or insurance business before you became an employee of Edward Jones. Your agreement not to solicit means that you shall not, during your employment with Edward Jones, and for a period of one year thereafter, contact or communicate with, regardless of who initiates said contact or communication, any Edward Jones client for the purpose of inviting, encouraging or requesting any Edward Jones client to transfer from Edward Jones to you or to your new employer/independent broker-dealer, to open a new account with you or with your new employer or to otherwise discontinue his/her/its patronage and business relationship with Edward Jones. You further agree that, while in the employ of Edward Jones and for a period of one year thereafter with Edward Jones, you will not, directly or indirectly, solicit or induce any Edward Jones employee to leave the employment of Edward Jones, nor will you either confer or discuss with any Edward Jones employee the subject of leaving the employ of Edward Jones, nor shall you confer or discuss with any Edward Jones employee the subject of employment by a person or organization engaged in a business which is similar, related to or in competition with Edward Jones.

You acknowledge and agree that Edward Jones will suffer great loss and damage if, during your employment with Edward Jones or at any time thereafter, you were to improperly use or disclose Edward Jones Trade Secrets or confidential and proprietary information or if you were to use your contacts and relationships with any customers of Edward Jones. Therefore, you agree that you must comply with the restrictive covenants of this Agreement. It is understood at the execution of this Agreement, and you acknowledge and agree, that such restrictions protect legitimate protectable interests of Edward Jones with respect to Edward Jones Trade Secrets and that the restrictions are reasonable and necessary to protect such interests, and that such restrictions do not impair or prevent you from earning a living or from working in other areas of the securities industry (e.g., effectuating sales to non-restricted customers). You agree that during your employment with Edward Jones or thereafter, Edward Jones may inform third parties, including any new employer/independent broker-dealer of your obligations pursuant to this Agreement.

14. In addition to, and not in lieu of, all other rights and remedies available to Edward Jones, Edward Jones shall be automatically entitled to a temporary restraining order and a temporary or preliminary injunction and to obtain all other available equitable remedies including a permanent injunction in order to restrain and enjoin any breach or violation of this Agreement by you. The exercise of Edward Jones' right to obtain injunctive relief for any actual or threatened damage or injury caused by

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you shall not prejudice its right to seek and obtain damages. To the extent that disputes between the parties may be subject to arbitration in accordance with any other agreement, rule, regulation or statute, Edward Jones and you agree that Edward Jones would suffer substantial, immediate and irreparable harm to its patronage and good will; that it would suffer the loss of its clients and accounts (which cannot be adequately remedied by damages); that any remedy in arbitration would be a nullity unless temporary and preliminary relief preserving Edward Jones' rights hereunder pending such arbitration is granted; and that Edward Jones shall therefore be automatically entitled to (and may proceed to secure) a temporary restraining order and temporary or preliminary injunction and other appropriate relief in any state or federal court in order to preserve the status quo that existed prior to any alleged breach of this Agreement pending the outcome of such arbitration. This right of Edward Jones to injunctive relief shall be in addition to any other remedies available to Edward Jones for any breach or any violation hereof. Financial Advisor further agrees to expedited discovery, including depositions, in connection with any action initiated by Edward Jones alleging breach of this Agreement, including any request for interim injunctive relief, whether or not the laws of the jurisdiction or rules of arbitration procedure provide for said expedited discovery. The election by Edward Jones of one remedy shall not in any way be construed as waiving any other remedies for such breach.

15. Financial Advisor further acknowledges and agrees that Edward Jones is not a signatory to the Protocol For Broker Recruiting and, therefore, Financial Advisor waives any and all claims, rights and/or defenses relating to, relying upon, asserting or has as its basis the Protocol on Broker Recruiting. Financial Advisor specifically agrees that he/she shall not remove, provide to any third-party or remain in possession of any information regarding Edward Jones accounts including, but not limited to, names, addresses, telephone numbers, email addresses, or account titles or types or solicit Edward Jones accounts whether or not Financial Advisor's new financial services firm is a signatory to the Protocol For Broker Recruiting.

You acknowledge that the separate and distinct promises in this Agreement are reasonable and necessary in order to protect Edward Jones' legitimate business interests, that any violation would result in irreparable injury to Edward Jones, and that the enforcement of a remedy by way of injunction or otherwise would not prevent you from earning a living. If Edward Jones incurs expenses to retain attorneys to enforce this Agreement and/or seek redress for any violation, you promise and agree to pay all costs, court costs, fees and expenses, including actual attorneys' fees, incurred by Edward Jones to enforce this Agreement and/or recover and collect damages for any violation, whether or not litigation is commenced.

16. To the maximum extent permitted by law, you agree that you do not earn commissions until you have fully satisfied the terms and conditions of the Financial Advisor Commissions Policy ("Commissions Policy"). Without limiting the scope of the Commissions Policy, you agree that Edward Jones may apply as an offset in calculating your commissions any losses or expenses it incurs as a result of a failure at the branch to comply with and adhere with such rules and regulations of the SEC, FINRA, state securities regulators, and all other applicable rules, regulations and Edward Jones policies. You agree that you shall indemnify and hold harmless Edward Jones against any and all losses it incurs at the branch as a direct result of a violation of any of the above-referenced rules, regulations or Edward Jones policies. You agree that if said loss or expense is the responsibility of the home office, any resultant loss shall be paid by Edward Jones. You agree that you are solely responsible for branch errors, whether attributable to you or to your BOA.

You further agree that if a client maintaining an account at Edward Jones fails to deliver securities to cover a sale of securities, fails to deliver funds to cover a purchase of securities, or otherwise acts or fails to act in such a manner as to cause an unsatisfied debt to arise in such an account, you will be responsible for such debt balance. Depending on the circumstances, the repayment will either serve as an offset in calculating the commissions, which you earn or will be paid by direct payment from you to the Firm.

You agree that should your employment with Edward Jones be terminated for any reason, Edward Jones may offset any outstanding debit balances in customer accounts opened or serviced by you against any and all amounts owed by Edward Jones to you for whatever reason and remit to you the remaining amount, if any.

You agree to promptly provide any signed authorizations that are necessary to effect the payment obligations set forth herein upon request of Edward Jones.

17. You agree that any dispute, claim or controversy arising under this Agreement or as a result of your employment with Edward Jones between you and Edward Jones or any present or former employee, agent, officer, director, affiliate, or partner of Edward Jones shall be resolved by arbitration and without resort to litigation in court. Any arbitration proceedings shall be conducted in accordance with the FINRA rules then in effect. This agreement to arbitrate disputes shall survive the termination of your employment with Edward Jones. This provision shall in no way affect or impair Edward Jones' right under any other provision of this Agreement to obtain equitable relief from a court of competent jurisdiction, which relief may remain in full force and effect pending the outcome of arbitration proceedings.

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18. You agree to become familiar with and strictly adhere to all rules, regulations and policies established by Edward Jones as set forth in the Edward Jones Compliance Manual, on JonesLink or in other communications. You further agree to adhere strictly to the rules and regulations of the Securities and Exchange Commission, the Financial Industry Regulatory Authority, state securities regulators or agencies and all other applicable rules and regulations. You agree to indemnify and hold harmless Edward Jones from and against any and all liabilities, losses or damages that it may suffer as the result of any claim against it (including its partners, members, employees and agents) arising from your breach of any provision of this Employment Agreement or arising from your negligence or willful misconduct during your employment with Edward Jones.

19. You agree that, during the term of your employment, you will cooperate with the Compliance or Field Supervision Departments in any investigation or inquiry they may undertake. Such cooperation shall include providing, upon request, information concerning, and copies of documents relating to, any account of any sort maintained by you (or of which you are the sole owner or one of multiple owners) in a securities brokerage, a bank, a savings and loan, a commodity dealer or an insurance company. You agree that, any time following the end of your employment, Edward Jones may access your files with any securities regulatory agency including, but not limited to, the Central Registration Depository ("CRD") system.

20. You agree to assume responsibility for investigating and determining the creditworthiness of client accounts opened or serviced by you.

21. Upon execution of this Agreement and receipt of your can sell date from Edward Jones, you will be a financial advisor of Edward Jones. If, within three (3) years after receipt of your can sell date, your employment with Edward Jones is terminated, you maintain registration of your license with FINRA and accept employment with any entity as either an employee or independent contractor engaged in the sale of securities and/or insurance business, you agree to reimburse Edward Jones the reasonable cost of the training Edward Jones has provided you including, but not limited to, the cost of the selection and hiring. It shall not be a defense that you received training prior to becoming employed at Edward Jones. In the event you take a leave of absence from Edward Jones, whether said leave of absence is taken as a matter of right or negotiated by you and Edward Jones, said time taken as leave shall not count toward the three full years of service to Edward Jones necessary to fully satisfy the training cost obligation if your employment with Edward Jones is terminated, you maintain registration of your license with FINRA, and accept employment with any entity as either an employee or independent contractor engaged as a registered representative. You agree that the reimbursable amount bears a reasonable relationship

to the computed damages Edward Jones would suffer from a breach by you and that Edward Jones will suffer demonstrable loss as a result of your breach. The amount you agree to reimburse Edward Jones is \$65,000.00. There shall be no reduction in the amount of training costs owed by you in the event your employment is terminated during the first year of service as a financial advisor of Edward Jones. This obligation shall be reduced by \$8,125.00 for each full quarter year of service beginning the thirteenth month of your employment as a financial advisor of Edward Jones. You must be employed by Edward Jones for each full quarter year in order to have your training cost obligation reduced according to the provisions of this paragraph. Satisfaction of this training cost obligation after three (3) full years of service as a financial advisor does not in any way excuse you from abiding by all other obligations imposed upon you by the Agreement.

22. This Agreement shall be deemed to be a Missouri contract and governed by the laws of Missouri or, if applicable, by controlling federal law under the precedent of the Eighth Circuit. A waiver of any provisions hereof by Edward Jones shall not be deemed a waiver of any other provision and no waiver shall be effective unless the same is in writing over the signature of a principal of Edward Jones. Any provision of this Agreement rendered unenforceable by the laws of any state shall as to such state be void only to the extent of such unenforceability and shall not invalidate the remaining provisions of this Agreement. If any one or more of the covenants or restrictions contained in this Agreement shall for any reason be held to be excessively broad as to time, activity or subject, it shall be construed by limiting or reducing it so as to be enforceable to the extent compatible with applicable law.

23. Any notice to be given Edward Jones under this Agreement shall be given in writing and delivered by certified mail to a principal of Edward Jones based at the headquarters in St. Louis, Missouri two weeks before its effective date. Any notice to be given you under this Agreement shall be deemed given if delivered in person to you or when mailed to you at your last known address on file with Edward Jones.

24. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that this Agreement may not be assigned by you under any circumstances.

25. You understand that your employment with Edward Jones shall not be considered to exist for any specified term or length of time, and nothing in this Agreement or in other documents shall be held to create, either expressly or by implication, employment for such a term. You understand that your employment with Edward Jones shall be considered an "at will" arrangement in accordance with the laws of the State of Missouri. This means that you are free, as is Edward Jones, to terminate the relationship at any time for any

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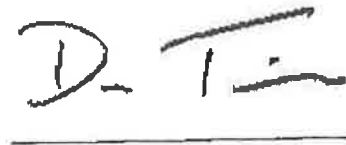
reason, so long as there is no violation of applicable federal or state law.

26. The parties hereto acknowledge that no oral or written representations were made with respect to this Agreement or the relationship between the parties, and the rights of the parties are governed only by this Agreement and any other subsequent written agreement or rider entered into between the parties and signed by a principal of Edward Jones.

**THIS CONTRACT CONTAINS A BINDING
ARBITRATION PROVISION WHICH MAY BE
ENFORCED BY THE PARTIES.**

In Witness Whereof, the parties hereto have executed the foregoing Agreement upon the understanding that it shall become effective upon receipt by Edward Jones. The undersigned financial advisor acknowledges receipt of this Financial Advisor Employment Agreement by executing said Agreement below.

Principal



Task Description:
US NH - Emp. Agrmnt wi Addendum - Lic. (NonProd)

Requisition:
10408

New Hire:
Farrell,James

Employment Agreement

Your next step is to review and electronically sign the employment agreement.

Click the **Employment Agreement** link next to the checkbox. A link to the document will display below. Click this link to review. Upon review, please acknowledge you have read and agree to the information contained within by electronically signing. To electronically sign:

1. Copy and paste the version of the document (found in the bottom right hand corner of each page in the agreement) into the Document Version field.
2. Enter the last four digits of your Social Security Number. Please be sure to confirm you have entered your correct Social Security Number. An invalid Social Security Number can cause delays.
3. Click Confirm and then Save.

Once you have electronically signed the document, the box will automatically be checked and the date you signed it will display. If you have any questions, please feel free to call Katie Wootten at 1-800-995-0273.

Employment Agreement

Click here to review the Financial Advisor Employment Agreement (Licensed Non-Producer). After reviewing this document, please complete your e-signature below to indicate you have read and agree to its terms and conditions within.

Click here to review the Edward Jones Commissions Policy referenced in the Employment Agreement.

Document Version :
V.3

Last four digits of SSN :
2418

Please note, this is considered an eSignature task. As such, it is governed by the eSignature Authorization you completed on Mar 24, 2011 wherein you provided your eSignature name as (James Paul Farrell) and the last four digits of your SSN as (2418).

If questions, please contact Katie Wootten at 1-800-995-0273 or at katie.wootten@edwardjones.com.