

## Exhibit C

### PLAN OF ALLOCATION

The parties submit this Plan of Allocation to distribute the Settlement Fund to Class Members who are Authorized Customers. If both the Court and State Court approve the Stipulation and this Plan of Allocation, Authorized Customers will be eligible to receive a settlement benefit on the terms described herein.

#### A. Definitions

All references to specific defined terms not defined herein shall bear the same meaning and definition as set forth in the Stipulation dated December 11, 2006. The following terms have the meanings specified below:

“Fair Fund” means the Fair Fund Distribution Plan entered into between Edward D. Jones & Co., L.P., and the Securities and Exchange Commission (“SEC”).

“Redemption Period One” means the first 12 months after the credit vouchers are distributed pursuant to Section C(5)(a) of this Plan of Allocation;

“Redemption Period Two” means months 13-24 after the Redemption Period One credit vouchers are distributed pursuant to Section C(5)(a) of this Plan of Allocation;

“Redemption Period Three” means months 25-36 after the Redemption Period One credit vouchers are distributed pursuant to Section C(5)(a) of this Plan of Allocation;

#### B. Determination of Class Members

1. The parties acknowledge and agree that the identity of Edward Jones’ customers who are Class Members shall be established as follows:

a. Use of the customer database established for distribution of the Fair Fund, which the parties acknowledge and agree contains the information necessary to identify the Class Members eligible to receive distributions pursuant to this Plan of Allocation and the Stipulation; and

b. To the extent necessary, Edward Jones will supplement the Fair Fund database by searching its general customer database to identify other eligible Class Members as well as to determine the cut-off date for determining whether an Authorized Customer is an Authorized Current Customer or an Authorized Former Customer.

2. The parties acknowledge that the information contained in the Fair Fund database is being audited by an external company, Navigant, for approval by the SEC. In addition, the parties acknowledge that Edward Jones is conducting an internal audit of the database to identify Current Customer Class Members and Former Customer Class Members. The results of the Navigant and internal audit will be shared with Plaintiffs' Counsel promptly upon their respective completion.

3. The parties acknowledge that Edward Jones has used its best efforts to determine the information in Section B.1. of this Plan of Allocation and that the information is the best information reasonably available.

4. The cut-off date for determining whether a Class Member shall be considered an Authorized Current Customer or an Authorized Former Customer shall be August 27, 2006.

#### C. Credit Voucher Program

##### 1. The Individual Credit Voucher Total

Edward Jones will make available to the Authorized Current Customers \$72,500,000 worth of Credit Vouchers toward reducing future fees and commissions as more fully described

below in Section C.3. The total amount of the Credit Voucher distributed to each Authorized Current Customer (the “Individual Credit Voucher Total”) shall be determined by dividing \$72,500,000.00 by the total number of Authorized Current Customers. Seventy-two million, five-hundred thousand dollars (\$72,500,000.00) represents the maximum redemption value of the credit vouchers that will be made available to both Purchaser Class Members and the Holder Class Members combined. Individual Credit Vouchers may be rounded down to the nearest whole cent in order to ensure that the maximum redemption value does not exceed \$72,500,000.

## 2. Term and Expiration

(a) Authorized Current Customers shall be entitled to use their credit voucher in accordance with the following schedule:

- one-third (1/3) of the Individual Credit Voucher Total may be used during Redemption Period One;
- one-third (1/3) of the Individual Credit Voucher Total may be used during Redemption Period Two;
- one-third (1/3) of the Individual Credit Voucher Total may be used during Redemption Period Three.

(b) In no event shall any Authorized Current Customer be permitted to apply or use more than one-third (1/3) of his/her Individual Credit Voucher Total during any one Redemption Period. Each Authorized Current Customer’s rights with respect to the portion of the credit voucher allocated and assigned to each Redemption Period shall lapse and expire at the conclusion of each such Redemption Period.

(c) The amount of the Individual Credit Voucher applied to any particular transaction shall be equal to or lower than ten dollars (\$10.00). Under no circumstances may any

Authorized Current Customer apply more than ten dollars (\$10) of a credit voucher to any particular transaction or fee.

### 3. Application of Credit Vouchers

(a) Each Authorized Current Customer will be entitled to use the credit voucher to offset the following fees, charges and commissions otherwise charged to customers by Edward Jones:

(i) equity, bond and fixed income trades (specifically excluding mutual funds and insurance products) with a gross commission equal to or greater than twenty (\$20.00); (ii) annual (or other periodic) fees charged in connection with opening or maintaining any Traditional, SEP or Roth Individual Retirement Account (“IRA”); (iii) annual (or other periodic) fees charged in connection with opening or maintaining CFO accounts; and (iv) transfer-out fees.

(b) The available portion of the Individual Credit Voucher Total for a particular Redemption Period may only be applied against a single fee, charge or commission identified in Section C.3(a) of this Plan of Allocation. To the extent the portion of the Individual Credit Voucher Total for a particular Redemption Period is not exhausted, it shall be forfeited.

### 4. Issuance and Redemption of Credit Vouchers

Prior to each Redemption Period, Edward Jones will provide Authorized Current Customers via the U.S. Mail a distinct redemption number and the amount of the Individual Credit Voucher Total available in the upcoming Redemption Period.

If the credit is being used to offset fees and/or commissions charged in connection with an equity, bond or fixed income trade as described in Section 3(a)(i), the Authorized Current Customer must advise his or her Investment Representative and provide the redemption number prior to or at the time the purchase or sale order is placed. To apply the credit against the fees or charges described in Section 3(a)(ii-iv) of this Plan of Allocation, the Authorized Current

Customer must advise his or her Investment Representative and provide the redemption number within thirty (30) days before or after such fee or charge is or has been assessed, so long as the applicable credit voucher has not expired.

5. Distribution and Notice

a. (a) Within ninety (90) days of the Effective Date, Edward Jones, at its own expense, shall provide via the U.S. Mail the amount of the voucher available for Redemption Period One and the corresponding redemption number to the Authorized Current Customers. This action shall commence Redemption Period One. Thereafter, prior to each subsequent Redemption Period, Edward Jones shall, at its own expense, provide the amount of the voucher available for said Redemption Period and the corresponding redemption number to the Authorized Current Customers. The deadline for the mailing set forth in this subsection shall allow or otherwise account for such a mailing in the monthly or quarterly account statements.

(b) Edward Jones may, in its sole discretion, elect to send the information in Subsection 5(a) via a separate mailing or include it in the Authorized Current Customer's monthly or quarterly statement.

(c) Edward Jones shall not be obligated to provide the balance for each Authorized Current Customer electronically as part of the Authorized Current Customer's online or electronic account statement.

6. Non-Transferable

The Credit Vouchers are non-transferable and may only be used by the Authorized Current Customer to whom they are issued.

D. Distribution of the Cash Component

1. The \$55,000,000.00, plus interest, less the fees and expenses described in Section V(H)(A)(a-b) of the Stipulation represents the total amount of cash available to all Class Members regardless of whether they are Purchaser Settlement Class Members or Holder Settlement Class Members. Current Customer Class Members are not eligible to receive cash from the Cash Component of the Settlement.

2. Initial Allocation to Authorized Former Customers

From the Cash Component of the Settlement, the Authorized Former Customers shall receive a cash payment which will be correlated to the present value of the Individual Credit Voucher Total. In order to determine the amount of the cash payment that each Authorized Former Customer will receive, the amount of the Individual Credit Voucher Total will be discounted in order to arrive at an approximately equivalent cash distribution amount. The discount equation shall take into account the three year distribution period for the credit vouchers as well as an appropriate discount rate as calculated by an expert to be hired by Plaintiffs' Lead Counsel, at their own expense. Within thirty (30) days after both the Court and the State Court issue a Judgment and Order of Dismissal in accordance with the Stipulation, the amount necessary to satisfy all distributions to Authorized Former Customers pursuant to the formula described herein will be set aside in a sub-escrow account with the Escrow Agent.

3. Distribution

a. Authorized Former Customers

Edward Jones shall, at its own expense, issue a check out of the sub-escrow account (or such other account as required to implement this Plan of Allocation) directly to the Authorized Former Customers. Prior to distribution, Edward Jones will attempt to locate the most current address for the Authorized Former Customers through the United States Postal Services Move

Update process. If an updated address is not obtained, the last known address of the Authorized Former Claimant shall be used. All checks shall be mailed within ninety (90) days of the Effective Date. The checks shall be valid for at least 90 days from the date of mailing.

b. Edward Jones, at its own expense, shall use a third-party service to attempt to obtain an updated address for Authorized Former Customers whose checks are returned. If an updated address is obtained, Edward Jones shall reissue the check to the updated address. Any reissued checks shall be valid for at least 90 days from the date of mailing. At the completion of these tasks, Edward Jones shall no longer bear any responsibility for delivery of checks to Authorized Former Customers where i) the initial check was returned and an updated address was not obtained, or ii) an updated address was obtained, but the reissued check was also returned as undeliverable.

c. Attorneys' Fees and Expenses

After payment of all expenses set forth in Section V.H.1 (a)-(c) of the Stipulation and the fees and expenses associated with the Escrow Agreement, any fees and expenses awarded to Class Counsel pursuant to any Fee and Expense Award shall be paid by the Escrow Agent from the Cash Component of the Settlement that has not been set aside in a sub-escrow account to pay Authorized Former Customers or otherwise set aside to pay fees and expenses owed to the Escrow Agent. Such payment or release of funds must be made within three (3) business days after receipt by the Escrow Agent of a demand for release of the funds from Plaintiffs' Lead Counsel, which may not be tendered until at least three (3) business days after the Effective Date. To the extent those amounts are not sufficient to pay Class Counsel's entire Fee and Expense Award and there are any funds remaining in the sub-account dedicated to the payment of

Authorized Former Customers after the expiration period for all outstanding checks distributed to Authorized Former Customers pursuant to paragraph D(2)(a)-(b) above, such funds shall be used to satisfy any residual amount owed to Class Counsel pursuant to any Fee and Expense Award.

E. *Cy Pres* and Cash Balance in Settlement Fund

To the extent there are any remaining funds in the Escrow Account after payment of all distributions set forth in Section V.H.1(a)-(d) of the Stipulation and the costs and expenses associated with the Escrow Fund, after exhausting its best efforts described in Section D.3. of this Plan of Allocation , after the expiration period for all outstanding checks and after the payment of any outstanding amounts owed to Class Counsel in connection with a Fee and Expense Award, the Escrow Agent shall pay the remaining cash, if any, into the Edward D. Jones & Company Foundation. Edward Jones represents and warrants that it will distribute the remaining cash in accordance with its regular charitable operations and none of the remaining cash balance will be returned to Edward Jones' general treasury. Further, Edward Jones represents and warrants that any such donation will not impact Edward Jones' usual and customary contributions to the Edward D. Jones & Company Foundation.