OFFICE OF THRIFT SUPERVISION

APPROVAL OF HOLDING COMPANY APPLICATION AND RELATED APPLICATIONS
APPROVAL OF APPLICATION FOR TRUST POWERS

ORDER NO.: 95-133
DATE: June 27, 1995

Jones Financial Companies, a Limited Partnership, Maryland Heights, Missouri (the "Holding Company"), seeks approval of the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.3, to acquire Boone National Savings and Loan Association, F.A., Columbia, Missouri ("Savings Association"). In connection with the proposed acquisition, the Holding Company seeks approval to organize and acquire Jones Interim Bank, F.A., Columbia, Missouri (the "Interim"), a Federal stock savings association, pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e) and 12 C.F.R. §§ 552.2-2 and 574.3, and seeks approval under 12 U.S.C. § 1828(c) and 12 C.F.R. Section 563.22, to merge Interim with and into the Savings Association, with the Savings Association as the surviving entity.

In addition, the Savings Association has also applied, pursuant to 12 U.S.C. § 1467a(n) and 12 C.F.R. Section 550.2, to exercise full trust powers upon its merger with Interim. (Collectively, the foregoing applications are referred to herein as the "Applications.")

The OTS has considered the factors set forth in 12 U.S.C. §§ 1464(e), 1467a(e), and 1828(c), and 12 C.F.R. §§ 552.2-2, 552.13, 563.22 and 574.7, and has determined that the acquisition of the Savings Association by the Holding Company, including the formation and acquisition of the Interim by the Holding Company and the merger of the Interim into the Savings Association, would be in compliance with all of the applicable standards and criteria. In addition, the OTS has determined that approval of the applications would be consistent with the Community Reinvestment Act. Accordingly, the applications are hereby approved, subject to the following conditions:

1. The Holding Company must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals supplied to the OTS Midwest Regional Office;

2. The proposed merger of the the Savings Association and the Interim shall be consummated no later than 120 calendar days from the date of this Order;

3. On the business day prior to the date of consummation of the proposed transactions, the chief financial officers of the Holding Company and the Savings Association shall certify to the Midwest Regional Director, in writing, that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Holding Company, and the Savings Association, respectively, since the date of the financial statements submitted with the applications;
4. The Holding Company will obtain all required regulatory and shareholder approvals prior to consummation, and will act to satisfy all requirements and conditions imposed by the OTS, and comply with all applicable laws, rules, and regulations;

5. No later than five calendar days from the date of consummation of the acquisition of the Savings Association, the Holding Company shall file with the Midwest Regional Director a certification by legal counsel stating the effective date of the acquisition, the exact number of shares of stock of the Savings Association acquired and that the acquisition has been consummated in accordance with the provisions of all applicable laws and regulations, the Application, the Agreement and Plan of Reorganization, and this Order;

6. No later than 30 calendar days from the date of consummation of the acquisition of the Savings Association, the holding Company shall furnish an opinion from its independent auditor, satisfactory to the Midwest Regional Director, that indicates that the transaction was consummated in accordance with generally accepted accounting principles;

7. The Savings Association and Edward D. Jones & Co., L.P. ("Broker") must be operated as separate legal entities so that: (1) their respective accounts and records are not intermingled, (2) each observes the procedural formalities of separate legal entities; (3) each is held out to the public as a separate enterprise; and (4) neither dominates the other to the extent that one is treated as a mere department of the other;

8. A majority of the Savings Association's board of directors must not be comprised of individuals that are directors or employees of any securities affiliate;

9. The Savings Association and Broker are prohibited from sharing common officers unless prior approval is obtained from the appropriate OTS Regional Director, which shall be based on criteria such as regulatory compliance, experience, character, integrity and the ability to perform both duties;

10. The Savings Association and Broker must take measures necessary to ensure that their officers and directors adhere to the principles set forth in OTS policy statements on conflicts of interest, 12 C.F.R. § 571.7, usurpation of corporate opportunity, 12 C.F.R. § 571.9, and self-dealing, 12 C.F.R. § 550.10, and any additional or successor statements of policy or regulation addressing these subjects. The officers and directors of the Association and Broker are prohibited from using their influence to: (1) take advantage of a business opportunity for the securities affiliate's benefit when the opportunity is of present or potential advantage to the savings association; or (2) place the securities affiliate in a position that leads to, or could create the appearance of, a potential conflict of interest; and
11. The Savings Association, Holding Company and Broker are subject to the provisions of the 12 C.F.R. § 563.76, Offers and Sales of Securities at an Office of a Savings Association, and related policy established in Thrift Bulletins 23-2, Interagency Statement on Retail Sales of Nondeposit Investment Products, and 23a, Limited Exceptions to Prohibitions on Sales of Savings Institution's Securities, and any additional or successor statements of policy or regulations addressing these subjects.

Trust Powers Application

The OTS has considered the requirements and factors set forth in 12 U.S.C. § 1467a(n) and 12 C.F.R. § 550.2, and has determined that the proposed transaction would be in compliance with all of the standards and criteria therein. Accordingly, the Trust Powers Application is hereby approved, subject to the following conditions:

1. Approval of trust powers is subject to the conditions set forth at 12 C.F.R. § 550.2(c);

2. The expense reimbursement agreement with respect to the operation of the trust division between E.D. Jones & Co., L.P. and the Savings Association must be revised: (a) to provide that the Holding Company is a party to the agreement; (b) to require (in Section IV) that the agreement remain in force for a minimum of two years; and (c) to require the concurrence of the OTS before any termination of the agreement;

3. If the Broker and the Holding Company fail to provide the expense reimbursement called for in Section II of the Expenses Reimbursement Agreement, the Association shall immediately cease the exercise of the trust powers and the Broker or the Holding Company shall pay the Savings Association any amounts past due under the agreement immediately upon being directed to do so by, and in accordance with the instructions of, the Regional Office; and

4. Employees of the trust division shall not concurrently be employed by the Broker.

Any time period specified herein may be extended by the Midwest Regional Director, for good cause, for up to 120 calendar days.

By Order of the Acting Director of the Office of Thrift Supervision, or his designee, effective June 27, 1995.

John F. Downey
Director of Supervision