An 86-Year-Old Asked Edward Jones for His Own $3 Million. They Froze His Account Instead.

Larry Williams sold computers for IBM during his working years, and at 86 he is a deacon who runs a Sunday school class at Prestonwood Baptist Church in Dallas. When he asked Edward Jones to release money from his own $3 million account, the firm questioned whether he could still be trusted with it.

Williams told his advisors exactly what the money was for. He wanted to help family members going through a rough stretch, pay $10,000 to the IRS, cover his monthly bills and set some cash aside for emergencies.

The withdrawal request turned into an interrogation. "They alluded to the fact that I'm 86 years old and probably have dementia," Williams told The Dallas Morning News, which first told his story through its Watchdog column.

Family May Be Taking Advantage Of Him

Edward Jones staff at the Dallas branch on Belt Line Road explained that there might be more happening than meets the eye.

According to the newspaper, they raised the possibility that his family was taking advantage of him, that he was caught in a scam, and even that the money could end up with terrorist groups.

Williams pushed back hard. He said he would sit for a cognitive test to prove his mind was fine, and he told the advisors that how he spends his own money was none of their business.

An employee handed him a list of seven documents to prove his identity. He came back with six, because the seventh was not available, and was told the account was being locked down.

The customer was super frustrated, but the brokerage felt that they had good reason, and felt that they were actually helping him out of bad situation.

The Company Stood By Their Decision

Edward Jones freeze had a legal basis. FINRA Rule 2165 lets a brokerage that suspects financial exploitation of an older client stop money from going out the door for up to 55 days.

Edward Jones stuck to that rule because they firmly believe that this could be a situation that will put the customer at risk. They advised that they also reached out to one of his relatives, which the rule permits, yet the money stayed frozen.

Williams signed a privacy waiver so the firm could talk about his case, and the response was still thin.

In a short statement, Edward Jones said it "follows industry safeguards before paying out funds and that its first priority is its clients."

The firm defended its process, though. Mike Duff, director of senior client protection at Edward Jones, told InvestmentNews that advisors watch for warning signs like sharp changes in how an older client pulls money, signs of slipping mental sharpness, new voices in the background of phone calls, and strangers who show up at appointments and take over the conversation.

"Age alone when somebody's requesting funds, wouldn't be the only factor," Duff said. He added that many states require firms to report suspected elder exploitation to adult protective services even before anyone can prove it.

He Finally Got Money Moving After The News Reports

Larry Williams finally got some of his money transferred after he raised a stink about it to the media.

The money started moving after the Dallas Morning News columnist Dave Lieber began asking Edward Jones questions, at which point the firm approved a transfer to Merrill Lynch.

Even the exit came in pieces. Williams told the paper that Merrill Lynch called to say about half of his account was on its way, with the rest still sitting at Edward Jones.

What do you think fraud fighters? Was the broker justified? Do you think he will lose his money?