

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090172421-01**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Raymond James & Associates, Inc., Respondent
Broker-Dealer
CRD No. 705

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Raymond James & Associates, Inc. (the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

The firm has been a member of FINRA since August 21, 1964, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

The firm has no relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

In Market Regulation Review No. 20090172421, FINRA's Short Sales Team of the Department of Market Regulation conducted a review of the firm's compliance with certain requirements of SEC Regulation SHO during the period of September 9, 2008 through December 10, 2008 (the "review period").

In connection with Review No. 20090172421,

1. From October 17, 2008 through December 10, 2008, in seven instances, the firm had a fail-to-deliver position at a registered clearing agency in an equity security (Western Asset Emerging Markets, or "EFL") that resulted from a long sale, and did not close the fail-to-deliver position by purchasing securities of like kind and quantity within the time frame prescribed by SEC Rule 204T(a)(1). The specific incidents are identified in Exhibit A attached hereto. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 204T(a)(1).
2. From October 28, 2008 through November 13, 2008, in one instance, the firm had a fail-to-deliver position at a registered clearing agency in an equity security (EFL) that was attributable to market making activities, and did not close out the fail-to-deliver position by purchasing securities of like kind and quantity within the time frame prescribed by SEC Rule 204T(a)(3). The specific incident is identified in Exhibit A attached hereto. The conduct described in this paragraph constitutes a violation of SEC Rule 204T(a)(3).
3. During the review period, in two instances involving one equity security (EFL), the firm accepted a short sale order from another person, or effected a short sale for its own account, without first borrowing the security, or entering into a bona-fide arrangement to borrow the security, and had a fail-to-deliver position at a registered clearing agency in such security that had not been closed out in accordance with the requirements of paragraphs (a) and (b) of SEC Rule 204T. The specific incidents are identified in Exhibit A attached hereto. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 204T(b) of Regulation SHO.
4. During the review period, the firm had a fail-to-deliver position at a registered clearing agency in EFL, a threshold security, for 13 consecutive settlement days beginning September 25, 2008, and failed to immediately thereafter close out the fail-to-deliver position by purchasing securities of like kind and quantity. The firm continued to have a fail-to-deliver position in EFL at the registered clearing agency for 19 settlement days through October 22, 2008 while it was a Threshold Security, which it failed to close out when required. The specific incidents are identified in Exhibit A attached hereto. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 203(b)(3) of Regulation SHO.

- B. The firm also consents to the imposition of the following sanctions:

A censure and a fine of \$45,000 (consisting of \$30,000 for the combined SEC Rule 204T findings and \$15,000 for the SEC Rule 203(b)(3) findings).

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against the firm;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. This AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. This AWC will be made available through FINRA's public disclosure program in *response to public inquiries about the firm's disciplinary record*;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

1/16/2013
Date

Respondent
Raymond James & Associates, Inc.

By: JLR

Name: Thomas R. Tremaine

Title: EVP Operations & Administration

Reviewed by:

Mark P. Barracca
Mark P. Barracca, Esq.
Vice President, Managing Attorney
Raymond James Financial, Inc.
Counsel for Respondent

Accepted by FINRA:

3/12/13
Date

Signed on behalf of the
Director of ODA, by delegated authority

TH R. Gira
Thomas R. Gira
Executive Vice President
Department of Market Regulation

Exhibit A
Violations- SEC Rules 204T(a)(1), 204T(a)(3), 204T(b) and 203(b)(3)
Raymond James Associates Inc. Review No. 20090172421

204T(a)(1) Violations (Long Sales)	Security	Close-Out Date	Quantity Required to be Closed-Out	Date Closed-Out	Number of Settlement Days to Close-Out	Average Fail Not Closed-Out
1	EFL	10/22/2008	4,800	11/14/2008	16	4,235 shares
2	EFL	11/5/2008	300	11/14/2008	6	300 shares
3	EFL	11/25/2008	250	12/11/2008	11	245 shares
4	EFL	11/26/2008	550	12/11/2008	10	550 shares
5	EFL	11/28/2008	495	12/11/2008	9	495 shares
6	EFL	12/2/2008	1,000	12/11/2008	7	1,000 shares
7	EFL	12/3/2008	300	12/11/2008	6	300 shares

204T(a)(3) Violations (Market Making)	Security	Close-Out Date	Quantity Required to be Closed-Out	Date Closed-Out	Number of Settlement Days to Close-Out	Average Fail Not Closed-Out
1	EFL	10/31/2008	100	11/14/2008	9	100

204T(b) Violations	Security	Close-Out Period	Number of Settlement Days to Close-Out	No. of Proprietary Short Sales Effected
1	EFL	10/17/2008-11/13/2008	19	1
2	EFL	11/20/2008-12/10/2008	14	1

203(b)(3) (Close-Out Requirements)	Security	Close-Out Date	Quantity Required to be Closed-Out	Date Closed-Out	Number of Settlement Days to Close-Out	Average Fail Not Closed-Out
1	EFL	9/25/2008	31,871	10/23/2008	19	26,481