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FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090174125-01

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 Nos. 20090174125 and 20090180892, FINRA's Fixed Income Investigations staff from the Department of Market Regulation respectively conducted a review of the firm's compliance with fair pricing and best execution requirements applicable to corporate bond transactions reported to the Trade Reporting and Compliance Engine ("TRACE") during the period of October 1, 2008 through December 31, 2008 (the "review period").

In connection with Review No. 20090174125,

1. During the review period, in seven transactions, the firm sold (bought) corporate bonds to (from) customers and failed to sell (buy) such bonds at a price that was fair, taking into consideration all relevant circumstances, including market conditions with respect to each bond at the time of the transaction, the expense involved and that the firm was entitled to a profit. The transactions are identified on Exhibit A which is attached. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rules 2110, 2440, IM-2440-1, and IM-2440-2.
2. During the review period, the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of FINRA, concerning compliance with NASD Rule 2440 and IM-2440. Specifically, the firm's supervisory system did not include written supervisory procedures providing for a sufficient statement of the supervisory step(s) to be taken by the identified person(s) to achieve compliance with the applicable rules. The conduct described in this paragraph constitutes violations of NASD Rule 3010, NASD Rule 2110 (for conduct prior to December 15, 2008), and FINRA Rule 2010 (for conduct on or after December 15, 2008).

In connection with Review No. 20090180892,

3. In six transactions in TRACE-eligible securities for or with a customer, the firm failed to use reasonable diligence to ascertain the best inter-dealer market and failed to buy or sell in such market so that the resultant prices to its customers were as favorable as possible under prevailing market conditions, as reflected on Exhibit B which is attached. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rules 2110 and 2320.

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

A censure and a fine of \$27,500 (consisting of \$10,000 for the pricing findings involving NASD Rule 2440 and IM-2440, \$12,500 for the pricing findings involving NASD Rule 2320, and \$5,000 for the supervisory finding), and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph two above. Within 60 business days of acceptance of this AWC by the National Adjudicatory Council ("NAC"), a registered principal of the Respondent

shall submit to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraph two; and, (3) the date the revised procedures were implemented.¹

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 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.

¹ The firm already has paid the restitution specified in Exhibits A-B accompanying this AWC to the affected customers so no undertaking concerning making such restitution payments is necessary in this matter.

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: (i) testimonial obligations; or (ii) 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.

3/8/2013
Date

Respondent
Raymond James & Associates, Inc.

By: James P. Sickling

Name: JAMES P. SICKLING

Title: MD, CEO

Reviewed by:

Barbara H. Band
Attorney Name BARBARA H. BAND
Counsel for Respondent
Firm Name BINGHAM MCCUTCHAN
Address 2020 K ST NW
City/State/Zip WASHINGTON DC 20006
Phone Number 202-373-6561

Accepted by FINRA:

4/25/13
Date

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

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

Item No.	Date	Cusip Id	Issue	Quantity	Contra 1*	Trade 1 Time	Trade 1 Price	Firm	Contra 2*	Trade 2 Time	Trade 2 Price	Mark-up /Mark-down	Restitution
1	11/12/2008	36962GD35	GE Capital Corporation (GE.GNG)	20	B-D (S)	9:34:56	87.028	RAJA	C(B)	13:24:27	91.35	4.97%	\$278.00
2	10/9/2008	36966RDM5	GE Capital Corporation (GE.AFM)	10	B-D (S)	8:51:39	79.002	RAJA	C(B)	12:14:13	83.611	5.83%	\$60.90
3	12/3/2008	36966RFU5	GE Capital Corporation (GE.AIE)	13	B-D (S)	10:08:57	77.554	RAJA	C(B)	14:36:22	81.6	5.22%	\$124.80
4	10/14/2008	36966RGS9	GE Capital Corporation (GE.AJF)	20	B-D (S)	9:23:49	74.511	RAJA	C(B)	11:37:20	80.58	8.15%	\$662.00
5	10/6/2008	36966RU61	GE Capital Corporation (GE.HDU)	15	B-D (S)	13:01:33	81.689	RAJA	C(B)	15:09:03	86.275	5.61%	\$75.75
6	10/6/2008	37247DAD8	Genworth Financial, Inc (GNW.GC)	25	C(S)	12:15:53	75.76	RAJA	B-D (B)	11:28:49	83	8.72%	\$1,322.37
7	10/6/2008	37247DAD8	Genworth Financial, Inc (GNW.GC)	25	C(S)	12:16:09	75.76	RAJA	B-D (B)	11:28:49	83	8.72%	\$1,322.37
Total Restitution**													\$3,846.19

* Contrasts are as follows: B-D (S) indicates a Broker-Dealer selling to the firm; B-D (B) indicates a Broker-Dealer buying from the firm; C (S) indicates a customer selling to the firm; and C (B) indicates a customer buying from the firm.

** Restitution already paid.

Raymond James Associates, Inc. ("RAJA")
Review No. 20090180892 - 4Q2008

Exhibit B

Item No	Date	CUSIP ID	Issue	Quantity	Contra	Trade Time	Trade Price	Firm	Restitution
1	10/22/2008	126650BE9	CVS.GQ	25	C (B)	14:42:43	94.2	RAJA	\$ 1,106.00
2	11/21/2008	264399DK9	DUK.GJ	20	C (B)	15:21:47	96.9	RAJA	\$ 1,020.00
3	10/28/2008	416515AV6	HIG.QK	11	C (B)	13:34:52	81.2	RAJA	\$ 1,078.00
4	10/22/2008	437076AS1	HD.GK	15	C (B)	12:42:17	68.584	RAJA	\$ 924.30
5	10/27/2008	74432QAD7	PRU.GY	30	C (B)	15:48:59	86.287	RAJA	\$ 1,950.00
6	11/19/2008	92857WAG5	VOD.GO	25	C (B)	15:23:45	89.545	RAJA	\$ 350.00
Total Restitution**									\$ 6,428.30

* Contra parties are identified as follows: B-D (S) indicates another Broker-Dealer selling to the firm; B-D (B) indicates another Broker-Dealer buying from the firm; C (S) indicates a customer selling to the firm; and C (B) indicates a customer buying from the firm.

** Restitution already paid.