

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090181032-01**

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. 20090181032, FINRA's Fixed Income Investigations Team ("staff") conducted a review of the firm's compliance with Municipal Securities Rulemaking Board ("MSRB") requirements pertaining to the pricing of municipal securities transactions during the period from October 1, 2008 through December 31, 2008 (the "review period").

In connection with Review No. 20090181032,

1. During the review period, in 37 transactions, the firm purchased municipal securities for its own account from a customer and/or sold municipal securities for its own account to a customer at an aggregate price (including any mark-down or mark-up) that was not fair and reasonable, taking into consideration all relevant factors, including the best judgment of the broker, dealer or municipal securities dealer as to the fair market value of the securities at the time of the transaction and of any securities exchanged or traded in connection with the transaction, the expense involved in effecting the transaction, the fact that the broker, dealer, or municipal securities dealer is entitled to a profit, and the total dollar amount of the transaction. The transactions are identified on Exhibit A which is attached. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rules G-17 and G-30(a).
2. 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 MSRB rules, concerning municipal securities fair pricing requirements. 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) responsible for supervision with respect to the applicable rule(s). The conduct described in this paragraph constitutes a violation of MSRB Rule G-27.

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

A censure, a fine of \$75,000 (consisting of \$60,000 for the violations of MSRB Rules G-17 and G-30 and \$15,000 for the violation of MSRB Rule G-27), and restitution by Respondent to the customers listed on Exhibit A which is attached, in the total amount of \$25,603.28, plus interest at the rate set forth in Section 6621(a) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct until the date this AWC is accepted by the National Adjudicatory Council ("NAC"). A registered principal of the firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution, to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850 or in an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, no later

than 120 days after acceptance of this AWC. If for any reason, Respondent cannot locate any customer after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed-property or abandoned-property fund for the state in which the customer is known to have last resided.

In addition, the firm consents to 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 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 this paragraph; and, (3) the date the revised procedures were implemented.

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.

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.

1-18-2013
Date

Respondent
Raymond James & Associates, Inc.

By: James P. Sickling

Name: JAMES P. SICKLING

Title: CEO - FIXED INCOME

Reviewed by:

Bar H. Bail

Attorney Name

Counsel for Respondent

Firm Name Bingham McCutchen

Address 2020 K St. NW

City/State/Zip Washington, DC 20006

Phone Number 202.373-6561

Accepted by FINRA:

3/4/13
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

Raymond James Associates, Inc. ("RAJA")

Matter No. 20090181032

Exhibit A

Item No.	Ref. # 8210*	Date	CUSIP ID	Contra 1 Quantity	Contra 1*	Trade 1 Time	Trade 1 Price	Firm	Contra 2 Quantity	Contra 2*	Trade 2 Time	Trade 2 Price	Markup	Restitution	Restitution already paid	Restitution to be paid
1	6'	12/17/2008	59469CWR0	5	C(S)	12:07:32	63.298	RAJA			N/A			\$ 321.40	\$ 349.05	
2 & 3		10/6/2008	59469C7K3					RAJA	60	HFLD (S)	16:04:04	79.821				
2	10'	10/7/2008	59469C7K3	35	C(B)	8:46:54	86.586	RAJA					8.48%	\$ 970.88	\$ 1,368.50	
3	11'	10/7/2008	59469C7K3	15	C(B)	9:33:10	86.586	RAJA					8.48%	\$ 416.09	\$ 586.50	
4	12'	10/20/2008	73358TV57	10	C(B)	16:36:44	96.813	RAJA						\$ 664.81	\$ 670.80	
5	14'	12/8/2008	875128FB1	50	C(S)	16:00:29	81.589	RAJA			N/A			\$ 1,605.50		\$ 1,605.50
6	7'	12/3/2008	107411BN5	2,000	BD (S)	12:03:42	60.079	RAJA	20	C (B)	16:28:59	66.558	10.78%	\$ 895.80	\$ 12.80	\$ 883.00
7	3	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	20	C (B)	9:56:41	62.526	4.07%	\$ 89.40	\$ 89.40	
8	6	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	50	C (B)	10:04:52	64.526	7.40%	\$ 1,340.34	\$ 62.50	\$ 1,277.84
9	7	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	50	C (B)	10:06:02	64.526	7.40%	\$ 1,340.34	\$ 62.50	\$ 1,277.84
10	10	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	30	C (B)	10:10:58	64.526	7.40%	\$ 804.20	\$ 804.20	
11	12	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	20	C (B)	10:13:28	64.526	7.40%	\$ 489.40	\$ 25.00	\$ 464.40
12	14	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	20	C (B)	10:20:24	64.526	7.40%	\$ 489.40	\$ 25.00	\$ 464.40
13	16	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	40	C (B)	10:43:34	64.526	7.40%	\$ 1,072.27	\$ 50.00	\$ 1,022.27
14	17	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	100	C (B)	10:44:32	64.526	7.40%	\$ 2,680.68	\$ 125.00	\$ 2,555.68
15	18	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	35	C (B)	10:45:52	64.526	7.40%	\$ 938.24	\$ 43.75	\$ 894.49
16	20	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	30	C (B)	10:56:04	64.526	7.40%	\$ 804.20	\$ 37.50	\$ 766.70
17	22	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	40	C (B)	11:01:34	64.526	7.40%	\$ 1,072.27	\$ 50.00	\$ 1,022.27
18	26	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	10	C (B)	11:18:36	64.526	7.40%	\$ 44.70	\$ 12.50	\$ 32.20
19	31	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	40	C (B)	11:31:23	62.526	4.07%	\$ 272.27	\$ 272.27	
20	33	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	10	C (B)	11:44:04	64.526	7.40%	\$ 44.70	\$ 12.50	\$ 32.20
21	34	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	15	C (B)	11:46:09	64.526	7.40%	\$ 267.05	\$ 18.75	\$ 248.30
22	35	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	10	C (B)	12:01:37	64.526	7.40%	\$ 44.70	\$ 12.50	\$ 32.20
23	36	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	40	C (B)	12:06:17	64.526	7.40%	\$ 1,072.27	\$ 50.00	\$ 1,022.27
24	37	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	50	C (B)	12:07:12	64.526	7.40%	\$ 1,340.34	\$ 62.50	\$ 1,277.84
25	40	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	10	C (B)	12:11:53	64.526	7.40%	\$ 44.70	\$ 12.50	\$ 32.20
26	41	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	15	C (B)	12:18:48	64.526	7.40%	\$ 267.05	\$ 18.75	\$ 248.30
27	42	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	50	C (B)	12:18:58	64.526	7.40%	\$ 1,340.34	\$ 62.50	\$ 1,277.84
28	43	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	20	C (B)	12:30:05	64.526	7.40%	\$ 489.40	\$ 25.00	\$ 464.40
29	45	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	35	C (B)	12:42:26	64.526	7.40%	\$ 938.24	\$ 43.75	\$ 894.49
30	47	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	30	C (B)	13:29:52	64.526	7.40%	\$ 804.20	\$ 37.50	\$ 766.70
31	48	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	45	C (B)	14:09:51	64.526	7.40%	\$ 1,206.30	\$ 56.25	\$ 1,150.05
32	49	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	30	C (B)	14:34:29	64.526	7.40%	\$ 804.20	\$ 37.50	\$ 766.70
33	50	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	30	C (B)	14:46:56	64.536	7.42%	\$ 807.20	\$ 37.20	\$ 770.00
34	51	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	15	C (B)	14:48:06	64.526	7.40%	\$ 267.05	\$ 18.75	\$ 248.30
35	55	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	40	C (B)	15:23:55	64.526	7.40%	\$ 1,072.27	\$ 50.00	\$ 1,022.27
36	56	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	40	C (B)	15:25:05	64.526	7.40%	\$ 1,072.27	\$ 50.00	\$ 1,022.27
37	59	12/4/2008	107411BN5	Same as #6		12:03:42	60.079	RAJA	35	C (B)	15:42:57	64.526	7.40%	\$ 938.24	\$ 43.75	\$ 894.49
* 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. The Ref #8210 item refers to the staff's 8210 inquiry letter of 6/24/2009 if the Item No. includes a superscript 1 notation next to it, and to the staff's 8210 inquiry letter of Oct. 10, 2011 if the Item No. does not include a superscript 1 notation next to it.															\$29,132.71	\$25,603.28