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## **RAYMOND JAMES FINANCIAL SERVICES ADVISORS, INC. (RJFSA) WRAP FEE PROGRAM BROCHURE**

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December 23, 2011

This brochure provides information about the qualifications and business practices of Raymond James Financial Services Advisors, Inc. If you have any questions about the contents of this brochure, please contact your Raymond James Financial Services Advisors, Inc. representative or Raymond James Financial Services Advisors, Inc. at **[www.rjf.com](http://www.rjf.com)**. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Raymond James Financial Services Advisors, Inc. is available on the SEC's website at **[www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov)**.

**RAYMOND JAMES®**

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**ITEM 1 COVER PAGE****ITEM 2 MATERIAL CHANGES**

On July 28, 2010, the United States Securities and Exchange Commission ("SEC") published "Amendments to Form ADV" which amends the Form ADV Part 2 disclosure document that Raymond James Financial Advisors, Inc. ("RJFSA") provides to clients as required by SEC Rules. Part 2 of Form ADV ("Part 2A Brochure") sets forth the minimum requirements for the disclosure statement that investment advisers must deliver to their current and prospective advisory clients. This Part 2A Brochure, dated December 23, 2011, has been revised and prepared according to the SEC's new disclosure requirements.

In the future, this section will reference the date of RJFSA's previous annual updating amendment and include a summary discussion of the material changes made to RJFSA's brochure since that previous update. In the future, in lieu of providing clients with an updated brochure each year, we may provide RJFSA's existing advisory clients with this summary describing any material changes occurring since the last annual update of our Part 2A Brochure. We will deliver a Part 2A Brochure or summary each year to existing clients within 120 days of the close of RJFSA's fiscal year. Clients wishing to receive a complete copy of the then-current Part 2A Brochure may request a copy at no charge by contacting RJFSA's compliance department at (800) 237-8691, extension 73065.

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## ITEM 4 SERVICES, FEES AND COMPENSATION

### Introduction

Raymond James Financial Services Advisors, Inc. ("RJFSA") is a federally registered investment advisor with the Securities and Exchange Commission ("SEC") pursuant to the Investment Advisors Act of 1940. RJFSA has provided advisory services since January 1, 2009. Registration as an investment advisor with the SEC does not imply a certain level of skill or training. RJFSA is owned 100% by Raymond James Financial, Inc, a publicly held company. Raymond James Financial, Inc. is traded on the New York Stock Exchange under the symbol RJF.

The primary affiliation of RJFSA, through its holding company Raymond James Financial, Inc. (RJF) is with Raymond James Financial Services Inc, (RJFS), member FINRA/SIPC, through various licenses and registrations. RJFS is a broker-dealer and primarily in the business of selling securities and other investments including annuity, fixed and life insurance products, on a full-time basis in all 50 states, including DC, Puerto Rico and the US Virgin Islands.

Another important affiliation of RJFSA, through its holding company Raymond James Financial, Inc. (RJF) is with Raymond James & Associates, Inc. (RJA), a broker-dealer and member of the New York Stock Exchange and a registered investment adviser. RJA serves as the custodian for RJFSA client accounts, acts as the clearing agent, and facilitates various advisory programs. For more complete information regarding these affiliations, please reference items 10 and 12 of this brochure.

The following pages describe our wrap fee programs and fees. As used in this Brochure, the words "we," "our" and "us" refer to RJFSA and your Investment Advisor Representative (IAR), and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm.

### Types of Advisory Services

Your investment advisor representative works with you to determine the appropriate investment objectives based on the information you provide initially, and periodically thereafter. With this information, you and your advisor may select one of the following programs. If you wish to impose or modify an existing investment restriction, you may do so at any time by discussing this with your investment advisor representative.

RJFSA offers three wrap fee programs; Ambassador, MIP, and Outside Manager Program (OSM). These programs will be discussed in this brochure.

In addition, we offer other wrap fee programs through our affiliate, Raymond James & Associates (RJA). While mentioned below, these programs are not the subject of this brochure. Clients of RJA programs will receive the Raymond James & Associates Wrap Fee Program Brochure, separately.

### RJFSA Wrap Fee Programs:

#### **1) Ambassador**

The Ambassador program is a wrap fee investment advisory account, offered by RJFSA and administered by affiliated advisor Raymond James and Associates ("RJA"). Your IAR will manage your account on a non-discretionary basis (or discretionary, provided certain qualifications are met), according to your objectives. RJFSA receives a portion of the fee. This account offers you the ability to pay an asset based advisory fee which includes transaction costs within the advisory fee in lieu of a commission for each transaction.

There is a minimum investment of \$50,000 for Ambassador accounts. The advisory fees for Ambassador accounts are as follows: (All fees are incremental)

	<u>Advisory Fee*</u>
First \$200,000	2.00%
Next \$300,000	1.75%
Over \$500,000	1.25%

You may also incur charges for other account services provided by RJA not directly related to the advisory, execution and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. You authorize and direct RJA as Custodian to deduct asset-based fees from your account. You further authorize and direct the Custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including fees paid to RJFSA. You understand that the brokerage statement will show the amount of the asset-based fee.

The Investment Management Agreement may be terminated by you or RJFSA at any time upon providing written notice pursuant to the provisions of the Investment Management Agreement. There is no penalty for terminating your account. Upon termination, you will receive a refund of the portion of the prepaid asset-based fee which is not utilized.

## **2) Managed Investment Program (MIP)**

The Managed Investment Program ("MIP") is a wrap fee investment advisory account, offered by RJFSA and administered by affiliated advisor Raymond James and Associates ("RJA"). The IAR will provide you with discretionary management of your account. Account investment management is limited to stocks, bonds, closed-end funds, exchange traded products, unit investment trusts (UITs) and real estate investment trusts (REITs). Certain investments such as mutual funds are excluded. This account offers you the ability to pay an asset based advisory fee and a nominal transaction charge in lieu of a commission for each transaction. RJFSA receives a portion of the fee.

There is a minimum investment of \$50,000 for MIP accounts, although smaller accounts may be accepted based upon the specific circumstances of an account.

The fees for a MIP account are an annual wrap fee based upon the assets under management in accordance with the schedule set forth below:

### **Equity and Balanced - All Accounts:**

Accounts less than \$500,000	
First \$200,000	3.00%
Next \$300,000	2.50%
Accounts equal to or greater than \$500,000	
First \$500,000	2.50%
Next \$500,000	2.00%
Next \$1,000,000	1.60%
Next \$3,000,000	1.40%
Next \$5,000,000	1.30%
Over \$10,000,000	Negotiable

### **Fixed Income - All Accounts:**

First \$500,000	1.25%
Next \$500,000	.90%
Next \$1,000,000	.80%
Next \$8,000,000	.65%
Over \$10,000,000	Negotiable

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. You authorize and direct RJA as Custodian to deduct asset-based fees from your account; you further authorize and direct the Custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including fees paid to RJFSA. You understand that the brokerage statement will show the amount of the asset-based fee.

You may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or transfers of securities.

The Investment Management Agreement may be terminated by you or RJFSA at any time upon providing written notice pursuant to the provisions of the Investment Management Agreement. There is no penalty for terminating your account. Upon termination, you will receive a refund of the portion of the prepaid asset-based fee which is not utilized.

### **3) Outside Manager Program (OSM)**

The Outside Manager Program is an investment advisory program providing investment advisory services to accounts managed by an unaffiliated investment advisor not available through the aforementioned RJCS program. In this outside manager program, you may receive discretionary investment advisory services from the unaffiliated advisor, and trade execution, custodial, advisory and other services from Raymond James. Your IAR receives a portion of the fee.

Raymond James bears no duty for the management of your assets allocated to an Adviser in the OSM program. Rather, all investment decisions shall be made by the Adviser and the Adviser shall be solely responsible for those investment decisions. However, Raymond James generally (i) assists you in defining your investment objectives based on information provided by you, (ii) determines whether the given fee arrangement is suitable for you, (iii) aids in the selection of an Adviser to manage the account (or a portion of its assets) and, if there is more than one Adviser, with respect to the allocation of assets to each account, and (iv) periodically contacts you to ascertain whether there has been any change in your financial circumstances or objectives that warrants a change in the arrangement or the manner in which your assets are managed.

There generally is a minimum investment of \$100,000 for all equity and balanced accounts, and \$200,000 for most fixed income accounts, although smaller accounts may be accepted based on the specific circumstances of an account.

Raymond James' OSM Asset-Based Fee is set forth as follows:

#### Equity and Balanced - All Accounts: (Incremental Schedule)

Accounts less than \$500,000

First \$200,000	2.00%
Next \$300,000	1.50%

Accounts equal to or greater than \$500,000

First \$500,000	1.50%
Next \$500,000	1.00%
Next \$1,000,000	0.80%
Next \$8,000,000	0.60%
Greater than \$10,000,000	Negotiable

#### Fixed Income - All Accounts: (Incremental Schedule)

First \$500,000	0.75%
Next \$500,000	0.50%
Next \$1,000,000	0.40%
Next \$8,000,000	0.30%
Greater than \$10,000,000	Negotiable

Raymond James' Asset-Based Fee does not include any fees paid to Adviser. You will compensate Adviser separately as agreed between you and Adviser. Upon client's request, Raymond James will debit the account for the Adviser's fee, but will not be responsible for verification of the computation of such fee.

The annual Asset-Based Fee is paid quarterly in advance. When an account is opened, the Asset-Based Fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly Asset-Based Fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. You authorize and direct Raymond James as Custodian to deduct the Asset-Based Fee from your account.

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You further authorize and direct the Custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including fees paid to Raymond James. You understand that the brokerage statement will show the amount of the Asset-Based Fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

You may also incur charges for other account services provided by Raymond James not directly related to the advisory, execution and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, and fees for legal or courtesy transfers of securities.

Your OSM Agreement with Raymond James may be terminated by you or Raymond James at any time upon providing written notice pursuant to the provisions of the OSM Agreement. There is no penalty for terminating your account. Upon termination, you will receive a refund of the portion of the prepaid Asset-Based Fee which is not earned. Raymond James will not accept instructions to terminate the OSM Agreement unless such instructions are provided in writing by you. Should you terminate their investment management agreement with Adviser, Raymond James will not be responsible for the Adviser's reimbursement of prepaid management fees not earned by Adviser upon termination.

#### Termination of Advisory Services

Your agreement with us, for each of the aforementioned account programs, may be terminated by you or us at any time upon providing notice to each other. There is no penalty for terminating the advisory agreement. Upon termination, you will receive a refund of the portion of the prepaid asset-based fee which is not earned by us.

Should you terminate your investment management agreement with an OSM Manager, we will not be responsible for the OSM Manager's reimbursement of prepaid management fees not earned by the OSM Manager upon termination.

Accounts in the Ambassador and Passport programs are not for day trading or other extreme trading activity, including excessive options trading or trading in mutual funds based on market timing. As such, pursuant to the respective program advisory agreement, we reserve the right to terminate, at our sole discretion, any client account in these programs.

#### **Wrap Fee Programs Not Offered Directly From RJFSA:**

##### **3) Freedom**

The Freedom Account is an investment advisory account which allocates your assets, through discretionary mutual or exchange traded fund (ETF) management, based upon your financial objectives and risk tolerances. You appoint Raymond James and Associates as your investment advisor to select the representative funds and monitor their performance on a continuing basis. Your RJFSA investment advisor representative receives a portion of the fee. **For further information refer to the Raymond James and Associates Wrap Fee Program Brochure.**

##### **4) Freedom UMA**

The Freedom UMA Account is an investment advisory account which, like the Freedom account, allows you to allocate your assets through discretionary mutual or exchange traded fund (ETF) management, based upon your financial objectives and risk tolerances. Additionally, your assets may be invested through affiliated or unaffiliated investment advisors registered with the Securities and Exchange Commission (Managers) with which Raymond James and Associates has entered into a sub-advisory agreement. Your RJFSA investment advisor representative receives a portion of the fee. **For further information refer to the Raymond James and Associates Wrap Fee Program Brochure.**

##### **5) RJCS**

You appoint Raymond James Consulting Services as your investment advisor to select certain portfolio managers, monitor performance of your account, provide you with accounting and other administrative services, and assist portfolio managers with certain trading activities. Based upon your financial needs and investment objectives your IAR may assist you in selecting an appropriate manager(s). Your RJFSA

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investment advisor representative receives a portion of the fee. **For further information refer to the Raymond James and Associates Wrap Fee Program Brochure.**

#### **6) Eagle High Net Worth**

You appoint Eagle Asset Management as your investment advisor. You may select one or more investment objectives. Eagle will manage your account in accordance with your financial needs and investment objectives on a discretionary basis. Services provided to you include assisting you in choosing the appropriate Eagle objective, monitoring your performance, communication reports, and other administrative services. Your RJFSA investment advisor representative receives a portion of the fee. **For further information refer to the Raymond James and Associates Wrap Fee Program Brochure.**

#### **7) Russell Model Strategies Program**

The Russell program is a mutual fund wrap advisory service that provides you the opportunity to allocate assets among various asset classes that cover a variety of investment objectives; it is an asset allocation-based investment program investing in Frank Russell mutual funds. Russell develops model portfolios and selects the underlying funds populating the respective model strategy. Your RJFSA IAR will assist you in selecting the appropriate strategy based upon your financial needs and investment objectives. Raymond James will annually rebalance your account to the original allocation. **For further information refer to the Raymond James and Associates Wrap Fee Program Brochure.**

#### **8) Managed Completion Portfolios Program**

You appoint Raymond James as investment advisor to develop and select a compatible investment strategy and in recommending, selecting and monitoring affiliated and unaffiliated open-end mutual funds. The Managed Completion Portfolios Program is an investment advisory account which allocates your assets based on your financial objectives and risk tolerance level. The committee at Raymond James determines the asset allocation, selects the representative funds and monitors their performance on a continuing basis. Unlike the aforementioned Freedom UMA and Freedom programs which are diversified across multiple asset classes and investment styles within each strategy, Completion Portfolios are intended to complete your portfolio assuming you already have equity and/or fixed income investment allocations. **For further information refer to the Raymond James and Associates Wrap Fee Program Brochure.**

#### **Other Compensation Considerations:**

##### **Investment of Cash Reserves**

Raymond James has established a system in which cash reserves “sweep” daily to and from the client’s investment account to cover purchases or to allow excess cash balances to immediately begin earning interest, subject to certain minimum balances. The account in which these cash reserves are held is considered the client’s sweep account. Available sweep options include the Raymond James Bank Deposit Program (“RJBDP”), the Client Interest Program (“CIP”) sponsored by Raymond James, and a proprietary class of money market funds (the “Eagle Class - JP Morgan Money Market Funds”) of the JP Morgan Prime Money Market Fund and JP Morgan Tax Free Money Market Fund, managed by J.P. Morgan Investment Management, Inc. (“J.P. Morgan”) and offered by Eagle. Clients may select RJBDP, CIP, the Eagle Class - JP Morgan Money Market Funds, or any combination thereof.

With respect to cash reserves of advisory client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation (“FDIC”) and SIPC). The custodian may change an investment option at any time by providing the Client with thirty (30) days advance written notice of such change, modification or amendment.

Clients selecting the RJBDP option are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. Raymond James is not responsible for any insured or uninsured portion of Client deposits at any of the Banks.

Raymond James Bank and the interest rate it offers may differ from the yield on the Eagle Class - JP Morgan Money Market Funds and CIP, but Raymond James Bank generally earns more than the interest it



pays on such balances. The Eagle Class - JP Morgan Money Market Funds are offered by Eagle through an agreement with J.P. Morgan. Under the agreement, Eagle, Eagle Fund Services, Inc. and Eagle Fund Distributors, Inc. (together, the "Eagle Affiliates"), and Raymond James and its affiliate RJFS are compensated by the Eagle Class - JP Morgan Money Market Funds and J.P. Morgan for, among other things, distribution costs, shareholder record-keeping activities, and the coordination and administration of the funds. Raymond James generally earns a higher rate of interest on CIP balances than the interest rate it pays on such balances. The income earned by the Eagle Affiliates and Raymond James is in addition to the asset-based fees that Raymond James receives from these accounts.

Where an unaffiliated third party acts as custodian of account assets, the client and/or the custodian will determine where cash reserves are held.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are transferred automatically on a daily basis to the client's cash sweep account. When securities are sold, funds are deposited on the day after settlement date. Funds placed in a client's account by personal check usually will not be transferred to the sweep account until the second business day following the day that the deposit is credited to the client's investment account. Due to the foregoing practices, Raymond James may obtain federal funds prior to the date that deposits are credited to the client's investment account and thus may realize some benefit because of the delay in transferring such funds to their interest-bearing cash sweep account.

For further information, please refer to "The Raymond James Cash Sweep Programs" brochure, a copy of which is available from your financial advisor, or you may visit the Raymond James public website: [http://www.raymondjames.com/cash\\_sweep.htm](http://www.raymondjames.com/cash_sweep.htm).

On occasion, there may be instances in which a financial advisor of Raymond James will establish a portfolio management or consultation relationship with a financial advisor of RJFS or RJFS Advisors, a registered broker/dealer and investment adviser, respectively, and corporate affiliates of Raymond James. The Raymond James financial advisor will also be a registered securities representative of Raymond James. The Raymond James financial advisor may act in a consulting role to the client, who has been referred by a financial advisor of RJFS or RJFS Advisors. However, the Raymond James financial advisor may act as the client's primary advisory representative and may refer the client to a financial advisor of RJFS or RJFS Advisors, who serves as their consultant. The client will be charged an advisory fee by the Raymond James or RJFS/RJFS Advisors financial advisor, which is shared with the affiliated financial advisor.

### **Administrative-Only Assets**

Certain securities may be held in a Passport account and designated "Administrative-Only" assets. For example, your IAR may make an arrangement with you to hold a security that they did not recommend or you wish to hold for an extended period of time and do not wish for your IAR to sell for the foreseeable future. In such cases your IAR may elect to waive their advisory fee on this security, but allow it to be held in the non-managed advisory account. Alternatively, we may determine that certain securities may be held in an advisory account but are not eligible for your IAR to collect an advisory fee (such as for mutual funds purchased with a front-end sales charge through Raymond James within the last two years).

Such designated assets will not be assessed the standard advisory fee, but will be assessed an Administrative-Only fee according to the following incremental schedule:

First \$1,000,000 in aggregate assets	0.09%
Aggregate assets over \$1,000,000	0.05%

Administrative-Only assets may be designated as such by financial advisors not wanting to collect an advisory fee on certain assets or by Raymond James in conformance with internal policy. Administrative-Only fee rates are calculated on the aggregate Related Account assets.

### **Cash Rule Conflict**

Participants in the Passport and IMPAC programs with cash or money market investments which exceed 20% of the total market value of your account at the time of billing will be included for fee purposes only if the account did not exceed 20% in cash or money market investments at the end of the previous quarter. Otherwise the balance in excess of 20% will not be included in the value of your account for fee purposes. If



you participate in the IMPAC program and have one or more related accounts, the 20% threshold is applied to the aggregate household cash value for fee purposes, not to each individual account as is done in Passport. This fee billing provision is intended to equitably assess advisory fees to your assets for which an ongoing advisory service is being provided, and the exclusion of excess cash from the advisory fee is intended to benefit your holding substantial cash balances (as a percentage of the total individual account value) for an extended period of time. However, this provision may pose a financial disincentive to your IAR, as the portion of cash or money market investments will not be included in the asset-based fee charged to the account. This may cause your IAR to reallocate an account from cash or money market investments to advisory fee eligible investments in order to avoid the application of this provision and therefore receive a fee on the full asset value in a client's account(s).

The aforementioned Cash Rule is applicable only to cash sweep balances and, therefore, non-sweep money market investments would not result in excess "cash" balances being excluded from the asset-based advisory fee calculation. As a result, non-sweep money market mutual fund investments are generally prohibited as an investment option in fee-based accounts. However, certain money market mutual funds may be approved as an investment option, but any such investments will only be assessed the standard Administrative-Only fee as long as those investments are held in a Passport account. No Administrative-Only fees are assessed to money market funds in an IMPAC account. Your IAR will receive no fee-based compensation on these investments, but may receive compensation in the form of a 12(b)-1 fee or trail. Please contact your IAR for additional information.

For non-IRA/ERISA Passport and IMPAC accounts, we may elect to absorb all or a portion of the Processing Fee. Certain open-end mutual funds which may be acquired by you, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus.

However, if your IAR elects to absorb the Processing Fees in *non*-IRA/ERISA accounts, they may also elect to receive trails paid by the fund company, if any, to defray the cost of the Processing Fees they absorb. If such an election is made, there may be a conflict of interest where your IAR may have an incentive to absorb all of the Processing Fees in consideration of the actual or anticipated trails they will receive.

You should understand that certificates of deposit (CDs) from Raymond James Bank may be purchased, with a commission, in the Passport or IMPAC programs. These CDs are considered non-billable assets for one year. Due to your IAR's affiliation with Raymond James Financial (NYSE-RJF) and Raymond James Bank, being a wholly owned subsidiary of Raymond James Financial, Inc. (NYSE-RJF), a potential conflict of interest may exist.

You should understand that the annual advisory fees charged in the Passport and IMPAC programs are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that you intend to hold fund shares for an extended period of time, it may be more economical for you to purchase fund shares outside of these programs. You may be able to purchase mutual funds directly from their respective fund families without incurring the Registrant's advisory fee. When purchasing directly from fund families, you may incur a front or back-end sales charge.

You should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not RJFSA) to deter "market timers" who trade actively in fund shares. You should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, may increase the overall cost to you by 1%-2% (or more), are available in each fund's prospectus.

You should also understand that certain no-load variable annuities may be offered in the Passport and IMPAC programs and may be charged an advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products.

You should also understand that more sophisticated investment strategies such as short sells and margins may be offered in the Passport and IMPAC programs. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where your IAR may have an incentive to

encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved. In the cases where margin debit interest is charged to your account, your IAR may receive a portion of the interest charged as a Controlled Asset Fee, presenting a potential conflict of interest.

Your total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include your ability to:

- 1) obtain the services provided within the programs separately with respect to the selection of mutual funds,
- 2) invest and rebalance the selected mutual funds without the payment of a sales charge, and
- 3) obtain performance reporting comparable to those provided within each program.

When making cost comparisons, you should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or you otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or you otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

Further information regarding fees assessed by a mutual fund, variable annuity or UIT is available in the appropriate prospectus, which you may request from your IAR.

The mutual funds and ETFs available in the programs often may be purchased directly. Therefore, you could avoid the second layer of fees by not using the investment advisory account and making your own decisions regarding the investment.

Raymond James provides a variety of marketing and other sales support services to mutual fund companies related to their mutual funds. These services include, but are not limited to, providing detailed mutual fund information to financial advisors, assisting mutual fund companies with strategic planning support, providing opportunities for assisting with professional development workshops, study groups, and other events and conferences. Raymond James also provides distribution support for prospectuses and promotional materials relating to their mutual funds. The marketing service and support fees come in a variety of forms, including payments which are sometimes referred to as "revenue sharing" fees and 12b-1 fees. This compensation may not be disclosed in detail in a mutual fund's prospectus or Statement of Additional Information. At Raymond James, these fees do not provide placement on any preferred product lists. The following schedule gives you an idea of the potential level of marketing support or revenue sharing fees that Raymond James may receive from a particular mutual fund group:

- up to .10% on mutual fund share purchases (e.g., \$10 for a \$10,000 purchase)
- up to .05% per year on assets totaling less than \$500 million
- up to .04% per year on assets totaling \$500 million to \$1 billion
- up to .03% per year on assets totaling \$1 billion to \$5 billion
- up to .02% per year on assets totaling \$5 billion or greater

The actual amounts that Raymond James may receive will vary from one mutual fund Company to another and investments in certain asset classes and/or mutual fund types may be excluded from the above formulas.

For a list of fund companies that have agreed to participate in Raymond James' current Education and Marketing Support program, please visit: [http://www.raymondjames.com/disclosure\\_mutual\\_funds\\_co.htm](http://www.raymondjames.com/disclosure_mutual_funds_co.htm).

Marketing representatives of mutual fund companies, who are often referred to as "wholesalers", work with Raymond James financial advisors and their branch office managers to promote their mutual funds. Consistent with applicable laws and regulations, these mutual fund companies may pay for or provide training and education programs for Raymond James' financial advisors and their existing and prospective clients. Mutual fund companies may also pay for due diligence meetings, conferences, relationship building events, occasional recreational activities and other events or activities that are intended to result in the promotion of their mutual funds.

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Mutual fund companies with mutual funds electronically linked or “networked” with a broker/dealer’s account system or with mutual funds available through a broker/dealer’s fee-based account programs often reimburse broker/dealers for a portion of their account servicing and administrative costs, which may include accounting, statement preparation and mailing, tax reporting and other shareholder services. Networking is a service that enables data sharing between Raymond James and mutual fund providers and/or their transfer agents. Raymond James currently receives up to \$13 annually in servicing fee reimbursements per each client mutual fund position. RJFSA IARs do not receive any part of these payments.

For a list of fund companies that have agreed to pay Raymond James networking or servicing fees, please visit: [http://www.raymondjames.com/disclosure\\_mutual\\_funds.htm](http://www.raymondjames.com/disclosure_mutual_funds.htm).

In addition, you may write to us to request a list (for either Raymond James’ Education and Marketing Support program or of fund companies that have agreed to pay Raymond James networking or servicing fees) at:

RJFSA -Compliance  
880 Carillon Parkway  
St. Petersburg, FL 33716

You may also call RJFSA Compliance Department at 800-237-8691, extension 75877 or email us at [RJFSACompliance@raymondjames.com](mailto:RJFSACompliance@raymondjames.com).

Mutual fund companies will also pay Raymond James fees to provide shareholder liaison services to you. These shareholder services may include responding to your inquiries and providing information on your investments. Raymond James may receive these shareholder services fees in amounts not to exceed 0.25% annually of the assets invested in a particular mutual fund.

Raymond James makes available to its clients a variety of mutual funds advised or offered by Eagle Asset Management, Inc. (“Eagle”), a subsidiary of Raymond James, including the Eagle Class shares of the J.P. Morgan Prime and Tax Free Money Market Funds. Raymond James and its affiliates generally receives more revenue for selling mutual funds advised or offered by Eagle because they receive compensation for providing these mutual funds with services not provided to unaffiliated mutual funds, including (but not limited to) investment advisory, administrative, transfer agency, distribution and/or other services. Payments made by mutual funds advised or offered by Eagle to Raymond James and its affiliates may be terminated, modified, or suspended at any time. Raymond James financial advisors and branch managers do not receive additional compensation or other cash or non-cash incentives for recommending mutual funds (or any particular class thereof) advised or offered by Eagle.

In addition to the aforementioned compensation arrangements in connection with Raymond James’ mutual fund sales, Raymond James receives compensation from its affiliate Eagle for providing services unrelated to sales of Eagle mutual funds, including (but not limited to) consulting services, marketing services, sponsorship fees, and support services and transfer credits for trade execution services. Payments made by Eagle to Raymond James may be terminated, modified, or suspended at any time.

### **Margin Interest**

You will be charged interest on any credit extended to or maintained on your behalf by Raymond James for the purpose of purchasing, carrying, or trading in any security or otherwise. The particular rate will vary with the size of the average debit balance.

### **Short Sales**

When executing short sales, you should be aware that Raymond James receives compensation for maintenance of the short position, which is in addition to the asset-based advisory fee. This compensation is generally calculated on a daily basis as a percentage of the current market value of the security sold short. In a low interest rate environment the compensation is calculated and assessed to your account by Raymond James on a monthly basis until closure of the short position. The percentage can vary based on several factors, including the current demand for the security in the market. Depending upon the current overnight funds rate, all or part of the compensation may originate from investment of the collateral posted for the transaction (i.e., short sale cash proceeds).

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For more information on interest/charges associated with margin balances and/or shorts sales, please visit Raymond James' public website: [http://www.rjf.com/services\\_and\\_charges.htm](http://www.rjf.com/services_and_charges.htm) (Client Account Services and Charges). You may also contact your financial advisor or call Raymond James by phone at 800-647-SERV (7378) for additional information, or may submit your written request to: Raymond James Client Services, 880 Carillon Parkway, St. Petersburg, FL 33716

For more information regarding fees, please see the Raymond James Client Bill of Rights and Responsibilities provided to each client at the time they open their account.

**Other Potential Conflicts Of Interest To Consider:**

RJFSA IARs may have a financial incentive to recommend certain fee-based advisory programs rather than certain other account types. A portion of the annual advisory fee is paid to your IAR, which may be more than they would receive under an alternative program, or if you paid for these services separately. Therefore, your IAR may have a financial incentive to recommend a particular account program over another. If you do not wish to purchase ongoing investment advice or management services or you wish to follow a buy and hold strategy, you should consider opening a brokerage account rather than a fee based account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account.

Your IAR does not receive a financial incentive to recommend or sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, IARs may receive higher compensation for certain product types.

As part of its fiduciary duties to clients, RJFSA endeavors at all times to put the interests of its advisory clients first. You should be aware, however, that the receipt of economic benefits by RJFSA (or its IARs, related persons, or affiliates) in and of itself creates a potential conflict of interest.

In certain instances, we may be compensated for referring you to an unaffiliated asset manager. If this occurs, your IAR will provide you with a disclosure document explaining the referral relationship and the terms of any compensation we receive.

RJFSA is affiliated, through its holding company, Raymond James Financial, Inc. (RJF), with Raymond James & Associates, Inc. (RJA), a broker-dealer and member of the New York Stock Exchange and a registered investment adviser. RJA acts as the clearing firm for those accounts and securities transactions introduced by RJFSA. To the extent recommendations are implemented through any of our affiliates, it should be noted that compensation will contribute to the overall profitability of the holding company, RJF. Should any securities be placed through us and your IAR, we may receive commissions on such transactions. This may create a conflict of interest. See item 10 for more complete information.

In instances where your IAR buys or sells the same securities as those of their Clients, the Client's accounts are given priority, RJFSA has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. These procedures outline a firm wide policy statement on compliance with insider trading policies by the adviser and its associated persons and other employees. These procedures have been distributed to all associated persons and employees of RJFSA. The procedures include provisions for defining "insider" material, monitoring associated persons and employee securities accounts, restricting access to affiliates sensitive material and restrictions on trading. See item 11 for more complete information.

In addition to the fee based compensation your IAR receives for providing advisory services, your IAR may earn commissions for transactional business in accordance with Raymond James Financial Services, Inc.'s published commission schedule. At the conclusion of each year, qualifying advisors are awarded membership in the Raymond James Financial Services, Inc.'s recognition clubs. Qualification for recognition clubs is based upon a combination of the advisor's annual production (both advisory and transactional), total client assets under administration, and the professional certifications acquired through educational programs.

From time to time RJFSA receives compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, affiliated and unaffiliated mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of RJFSA.

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## **ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

There is a minimum investment of \$50,000 for AMBASSADOR accounts and \$50,000 for MIP accounts, although smaller accounts may be accepted based upon the specific circumstances of an account.

For OSM, there generally is a minimum investment of \$100,000 for all equity and balanced accounts, and \$200,000 for most fixed income accounts, although smaller accounts may be accepted based on the specific circumstances of an account.

The Ambassador, MIP, and OSM accounts are available for individuals, individual retirement accounts ("IRAs"), banks and thrift institutions, trusts, estates, charitable organizations, state and municipal government entities, pension and profit sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), corporations and other business entities.

## **ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION**

The investment strategy determined for you is based upon the objectives stated during consultations with your IAR. It is important to review investment objectives, risk tolerance, tax objectives and liquidity needs with your IAR before choosing an investment strategy. All investments carry a certain degree of risk and no one particular investment style or portfolio manager is suitable for all types of investors.

Your IAR will monitor your account to identify situations that may warrant specific actions be taken or recommended with respect to your investments or overall investment portfolio. Such reviews include, but are not necessarily limited to, suitability, performance, asset allocation, change in investment objectives and risk tolerance, concentrations and prohibited products. In addition, your IAR will provide regular investment advice or investment supervisory services, review your portfolio(s) and communicate with you at least annually, and on a quarterly basis if agreed by you, for conformity with the respective portfolios, investment objectives, changes in your financial situation, account performance and any reasonable restrictions to be imposed as to the specific assets or types of securities to be included or excluded from your portfolio(s).

Additional monitoring of accounts is provided by compliance and sales management personnel located within the corporate headquarters. Reviews include, but are not limited to; suitability, concentration, and accounts managed on a discretionary and non-discretionary basis.

## **ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

The following information about you is communicated by RJFSA to the your portfolio manager, if applicable, or collected by your financial advisor at the time the account is opened: name, social security/tax identification number, address, phone number, employer, occupation, date of birth, number of dependents, net worth, annual income, investment experience, retirement status, investment objective, risk tolerance and time horizon. You are requested on an annual basis to update this information, which, if applicable, is promptly forwarded by the sponsor to your portfolio manager.

## **ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS**

The Investment Management Agreement is exclusively between RJFSA and you, and there is no direct agreement between the Manager and you. You may contact the Manager, but you will generally do so through your financial advisor or the AMS Client Services department.

## **ITEM 9 ADDITIONAL INFORMATION**

### **Disciplinary Information**

Registered Investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Raymond James Financial Advisors, Inc. (RJFSA). Our firm operates as an investment adviser. The disciplinary reporting requirements for broker/dealers and investment



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advisers differ in some ways, with FINRA requiring broker/dealers to report on matters (for example, pending complaints and arbitrations) which are not required to be reported by investment advisers. The information in this report is not the only resource you can consult. You can access additional information about our firm and our management personnel on the SEC's website, located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), as well as FINRA's website, at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

Below is a summary of the material legal and disciplinary events against RJFSA during the last ten years. As of the date of this brochure, there are no such reportable events for our senior management personnel or those individuals in senior management responsible for determining the general investment advice provided to our clients.

In highly volatile markets, the volume of investor claims and regulatory proceedings against financial institutions has historically increased. These claims include potential liability under securities or other laws for alleged materially false or misleading statements made in connection with securities offerings and other transactions, and issues related to the suitability of our investment advice based on our clients' investment objectives.

No regulatory enforcement actions have been brought against Raymond James by any of the aforementioned regulatory authorities concerning the firm's provision of advisory services.

Please note that in each instance described below, the firm entered into the various orders, consents and settlements without admitting or denying any of the allegations.

#### **Auction rate securities matters**

In connection with ARS, our principal broker-dealers, Raymond James and RJFS, were subject to investigations by the SEC, certain states led by Florida's Office of Financial Regulation, and the Texas Securities Board regarding the sale of ARS. On June 29, 2011, RJ&A and RJFS finalized settlements with the SEC and other regulatory authorities, concluding investigations by the regulators into Raymond James' and RJFS's offer and sale of ARS.

The SEC alleged that Raymond James violated Section 17(A)(2) of the Securities Act of 1933, and states alleged that Raymond James violated various state securities statutes when it offered and sold to some of its customers auction rate securities ("ARS") while not accurately characterizing or while failing to adequately disclose the true nature and risks associated with these investments. Although Raymond James' ARS trade confirmations disclosed the risk that ARS auctions could fail and that Raymond James was not obliged to ensure their success, at the point-of-sale, some of Raymond James' financial advisors inaccurately described ARS as alternatives to money market funds and other cash-like investments, without adequately disclosing the auction process or the risk of illiquidity if these auctions failed. On February 13, 2008, a significant number of ARS auctions failed, resulting in an overall market collapse that left thousands of investors, including some of Raymond James' customers, holding ARS that they had, in some instances, not been able to liquidate.

Without admitting or denying the allegations, Raymond James consented to an order to cease and desist, a censure, and the following undertakings: (i) to purchase eligible ARS held by eligible customers; (ii) to use its best efforts to provide institutional money managers opportunities to liquidate their eligible ARS; (iii) to use its best efforts to identify and locate customers who purchased eligible ARS at Raymond James but who transferred such eligible ARS away from the firm prior to January 1, 2006; (iv) to identify, and repay excess expenses and reasonable interest incurred by eligible customers who took out loans from Raymond James after February 13, 2008 secured by eligible ARS that were not successfully auctioning at the time the loan was taken and who paid interest associated with the ARS-based portion of those loans in excess of the total interest and dividends received on the eligible ARS during the duration of the loan; (v) to use its best efforts to identify any customer who purchased eligible ARS on or before February 13, 2008; and (s) subsequently sold those eligible ARS below par between February 13, 2008 and June 29, 2011, and to repay any the customer the difference between par and the actual price at which they sold or redeemed the eligible ARS, plus reasonable interest; (vi) to participate, at the election of an eligible customer, in the special arbitration procedures announced by FINRA on December 16, 2008, for the exclusive purpose of arbitrating an eligible customer's claim for consequential damages against the firm related to their ARS investment.

No fines were imposed by the SEC under the settlement agreement. A fine in the amount of \$1.75 million was imposed by the state regulators. States involved in the settlement include Florida, Texas, Indiana, Alabama, Puerto Rico, South Carolina, South Dakota, North Dakota, Tennessee, New Jersey, Vermont, Rhode Island, Nevada, Massachusetts, Maine, Utah, Montana, Idaho, New Mexico, Wyoming, Kansas,

Minnesota, Oregon, Virginia, Washington, Mississippi and Maryland. The amount and date of the settlements are listed below.

STATE	\$ AMOUNT OF CHECK	DATE CHECK SENT TO STATE
Florida	384,933.58	7/7/11
Texas	293,595.77	7/7/11
Indiana	62,503.17	8/15/11
Nevada	7,230.20	8/22/11
Puerto Rico	3,500.00	9/2/11
South Carolina	15,304.41	9/2/11
Alabama	22,189.76 & 1,000 NASAA	9/12/11
South Dakota	5,388.71	9/12/11
New Jersey	35,183.04	9/12/11
Vermont	4,255.48	9/16/11
Rhode Island	3,594.44	9/16/11
Montana	4,538.79	9/21/11
Tennessee	30,414.06	9/21/11
North Dakota	3,972.18	9/29/11
Idaho	4,491.57	10/6/11
New Mexico	5,719.23	10/12/11
Wyoming	21,489.92	10/12/11
Oregon	5,577.58	10/18/11
Minnesota	13,982.32	10/27/11
Kansas	6,238.62	10/27/11
Maryland	21,017.75	11/2/11
Maine	4,586.00	11/7/11
Utah	29,328.05	11/7/11
Massachusetts	29,564.14	11/10/11
Missouri	10,960.39	11/16/11
Mississippi	10,771.52	12/8/11
Virginia	25,597.86	11/22/11
Washington	8,363.42	12/1/11
Colorado	50,897.07	12/20/11

#### **National Association of Securities Dealers ("NASD")**

The NASD alleged that Raymond James violated NASD Conduct Rules 3010 and 2110 by failing to implement supervisory procedures specifically designed to monitor fee-based brokerage accounts to determine whether they were "appropriate" for customers. The NASD also alleged that the firm marketed fee-based brokerage accounts through the use of sales literature that failed to comply with NASD's advertising rules in violations of Conduct Rules 2110 and 2210(D). On April 26, 2005 Raymond James was censured and consented to a fine in the amount of \$224,100 and ordered to pay restitution in the amount of \$27,025 plus interest.

The NASD alleged that Raymond James failed to provide certain customers with a reduction in the front end sales load, or sales charges, also known as "Breakpoint" discounts, described in mutual fund prospectuses and NTM03-47. On February 20, 2004, Raymond James was censured and consented to a fine in the amount of \$1,297,564.



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The NASD alleged that Raymond James violated Securities Exchange Act Rules 17A-3 and 17A-4 and NASD Rules 2110 and 3010. The NASD's primary allegation was that RJFS's supervisory system and procedures for supervising the activities of producing branch managers were not reasonably designed to achieve compliance with securities rules and regulations, in violation of NASD Conduct Rules 2110 and 3010. Without admitting or denying the findings, Raymond James consented to a censure and to the entry of findings and paid a fine of \$2,750,000.

The NASD alleged that Raymond James violated Rule 2110, 3070. Without admitting or deny the allegations the firm consented to the entry of findings that it failed to Report statistical and summary information concerning customer complaints. On August 26, 2002, Raymond James consented to a fine and paid \$10,000.

The NASD recommended disciplinary action be taken against Raymond James in connection with numerous late filings or amendments of Form U-4 and U5 during the period of January 1, 2002 through March 5, 2004. On November 30, 2004, the NASD censured and fined Raymond James \$400,000.

The NASD alleged that between October 1, 2002 and December 31, 2002, Raymond James failed to accurately report 3,740 of 7, 812 Municipal principal transactions resulting from a technical error. Without admitting or denying guilt, Raymond James agreed to an acceptance, waiver and consent including a fine of \$12,500.

The NASD alleged that Raymond James violated NASD conduct rule 3010 and 2110 by failing to implement supervisory procedures designed to monitor Fee based brokerage accounts and whether such accounts were appropriate for customers. Furthermore, associate sales literature failed to comply with NASD conduct rules 2210(d) and 2110. On April 26, 2005, Raymond James consented to censure and paid a fine, including restitution, in the amount of \$750,000.

NASD alleged that Raymond James reviewed and approved a registered representative's outside business activity that was actually a private securities transaction in violation of NASD conduct rules. NASD ordered Raymond James to pay a fine of \$12,000, which it paid on April 5, 2007.

#### **State of Georgia**

The State of Georgia alleged that the firm did not maintain properly licensed home office personnel to transact with Georgia residents. The State ordered the firm to pay a fine of \$25,000, which was paid on February 5, 2008.

#### **State of Connecticut**

The State of Connecticut alleged that the firm failed to follow its mutual fund exchange procedures relating to the completion and submission of mutual fund switch letters. The State also alleged that the firm failed to reasonably supervise the activities of an employee who provided inaccurate written statements to the State concerning mutual fund trades in a client's account. The firm was ordered to cease and desist from regulatory violations and to pay a fine of \$15,000. The firm paid this on 3/16/2010.

#### **State of Indiana**

The State alleged that Raymond James failed to supervise the activities of certain of its branch managers and employees located in the state for the years 2000 through June 30, 2005. On August 23, 2005

Raymond James was censured and consented to a fine in the amount of \$6,000, plus \$27,500 for reimbursing the State for the costs of their investigation.

#### **State of Maryland**

On July 24, 2002, Raymond James was censured and consented to a fine of \$7,500 regarding supervision of a former registered Representative.

#### **State of Massachusetts**

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The State of Massachusetts alleged that Raymond James failed to supervise two of its registered representatives. The State ordered Raymond James to pay a fine of \$25,000, which it paid on February 1, 2008.

#### **State of Missouri**

The State of Missouri alleged the firm failed to reasonably supervise a single transaction conducted by one of its financial advisors relating to the suitability of a variable annuity purchase. The State ordered the firm to make a \$50,000 contribution to the State's Investor Education Fund, and to pay \$2,300 towards the cost of the State's investigation. The firm paid this on February 17, 2009.

#### **State of New Hampshire**

The state ordered Raymond James to pay restitution to a client alleging the recommendation and purchase of variable annuities on his behalf were unsuitable, and carried unnecessary and unwanted expenses resulting in a loss of principal. On November 5, 2005, Raymond James consented to a restitution payment to the client in the amount of \$60,000.

#### **State of Utah**

The state ordered Raymond James to pay a portion of a fine levied against a registered representative. The state alleged Raymond James failed to supervise and maintain books and records. Raymond James consented and on October 30, 2006 paid a portion of the \$100,000 fine levied against Raymond James and the registered Representative.

#### **State of Wisconsin**

The State of Wisconsin alleged that the firm failed to supervise its securities agents, who made unsuitable recommendations to customers, lent money to a customer, engaged in excessive trading, and filed misleading statements with the State. The State ordered the firm to pay a fine of \$50,000, which was paid on June 29, 2007.

#### **Financial Industry Regulatory Authority ("FINRA", the successor to NASD Regulation)**

FINRA alleged that Raymond James violated FINRA Rule 2010 and NASD Rules 2110, 2510(D)(1), 3010 and 3110 by: (i) failing to mark an "Time and Price Discretion" on order ticket in accordance with order ticket designation requirements, causing the firm to maintain inaccurate books and records; (ii) failing to update certain of its electronic order management systems to satisfy the specificity requirements; (iii) failing to exercise reasonable supervision by not having adequate systems or procedures in place to cause the firm to be in compliance with these requirements and produce certain order ticket data in connection with regulatory requests. On January 11, 2010 Raymond James consented to the described sanctions and entry of findings and was ordered to pay a fine in the amount of \$100,000 and required to commence a thorough review of its practices and procedures concerning compliance with the rules identified herein.

FINRA alleged that Raymond James violated FINRA Rule 2010, NASD Rules 2110, 2440, 3010, and Interpretive Material 2440-1 by utilizing an automated commission schedule that failed to ensure that resulting commissions were fair and reasonable when executing orders primarily in low-priced securities. As a result, FINRA alleged the firm's failure to take into consideration the factors delineated in Interpretive Material 2440-1(B) led to \$893,888.69 in excessive commissions being charged. On September 29, 2011 Raymond James consented to the described sanctions and entry of findings and was censured, ordered to pay a fine in the amount of \$225,000, pay restitution in the amount of the excessive commissions, plus interest, and required to pay restitution to customers not identified during the examination but otherwise covered under the allegations for the period between the conclusion of FINRA's examination and the firm's implementation of its revised automated commission schedule.

FINRA alleged that the Raymond James failed to enforce its written supervisory procedures to achieve compliance with suitability requirements as they relate to the sale of IRC Section 529 college savings plans. The firm was censured and fined \$150,000, which it paid on June 1, 2010.

FINRA alleged that the automated commission schedule Raymond James Financial Services, Inc. utilized to assess commissions on the purchase and sale of primarily low priced-securities resulted in unfair and

unreasonable commissions. Without admitting or denying the findings the firm consented to a censure and fine of \$200,000, and was ordered to pay \$795,568 plus interest in restitution. The firm paid this on September 29, 2011.

### **United States Securities and Exchange Commission “SEC”**

The SEC alleged Raymond James committed fraud based upon the acts of one of its registered representatives. Further, it alleged a failure to supervise. On September 15, 2005, Raymond James consented to disgorgement, civil penalties and a fine in the amount of \$6,900,000.

### **Other Financial Industry Activities and Affiliations**

The primary affiliation of RJFSA, through its holding company Raymond James Financial, Inc. (RJF) is with Raymond James Financial Services Inc. (RJFS), member FINRA/SIPC, through various licenses and registrations. RJFS is a broker-dealer and primarily in the business of selling securities and other investments including annuity, fixed and life insurance products, on a full-time basis in all 50 states, including DC, Puerto Rico and the US Virgin Islands.

Another important affiliation of RJFSA, through its holding company Raymond James Financial, Inc. (RJF) is with Raymond James & Associates, Inc. (RJA), a broker-dealer and member of the New York Stock Exchange and a registered investment adviser. RJA acts as the clearing firm for those accounts and securities transactions introduced by RJFSA. To the extent recommendations are implemented through any of our affiliates, it should be noted that compensation will contribute to the overall profitability of the holding company, RJF. Should any securities be placed through us and our IARs, we may receive commissions on such transactions. This may create a conflict of interest.

Raymond James is engaged in investment banking activities. Because Raymond James may trade its advisory clients' assets in the securities of companies which Raymond James' Investment Banking division is advising, there may be the appearance of a conflict of interest. To mitigate the potential conflict of interest, Raymond James Investment Banking has implemented “Chinese Wall” policies and procedures restricting the dissemination of non-public information in connection with these companies to parties outside the Investment Banking division. In addition to Raymond James' Chinese Wall policies and procedures, Raymond James Asset Management Services has insider trading policies and procedures which are designed to prevent and detect any misuse of non-public information.

RJFSA also has a relationship with other broker-dealers, Raymond James Ltd, located in Canada and Raymond James Investment Services Ltd, located in the United Kingdom.

Through RJF, Raymond James is also affiliated with the following broker/dealers, investment advisers, mutual funds, bank and insurance agency:

- a. Eagle Asset Management, Inc. (“Eagle”) – A corporation, registered as an investment adviser with the SEC, serving individuals, institutions and investment companies. Eagle Asset Management also acts as an investment adviser to the Eagle Family of Mutual Funds. Eagle also acts as sub adviser to various wrap programs with affiliated (through the RJCS and EHNW programs) and unaffiliated broker dealers.
- b. Eagle Boston Investment Management, Inc. – A corporation, registered as an investment adviser with the SEC, serving individuals, corporations, foundations, pension and profit sharing plans and state and municipal government entities. Eagle Boston also acts as sub adviser to various investment companies and wrap programs with affiliated (through the RJCS program) and unaffiliated broker dealers. Eagle provides certain administrative, marketing and compliance services for a monthly fee, paid by Eagle Boston. In addition to providing certain administrative services, some Eagle employees performing functions such as portfolio trading and trading operations are also employees of Eagle-Boston. Eagle-Boston is a wholly owned subsidiary of Eagle.
- c. Eagle Fund Distributors Inc. (“EFD”) – EFD is the principal underwriter and distributor for the Eagle Mutual Funds. In addition to selling Eagle fund shares to its clients, EFD enters into selling agreements with other affiliated and unaffiliated broker-dealers and other financial intermediaries to distribute and provide other services in connection with the purchase of fund shares. EFD is a wholly owned subsidiary of Eagle.
- d. Eagle Fund Services, Inc. (“EFS”) – EFS, a wholly owned subsidiary of Eagle, provides certain shareholder services for the Eagle Mutual Funds in conjunction with JP Morgan Investor Services Co., the transfer and dividend disbursing agent for the Eagle Mutual Funds.

- e. Eagle Family of Mutual Funds –
  - Eagle Capital Appreciation Fund
  - Eagle Growth & Income Fund
  - Eagle Series Trust, consisting of:

- Small Cap Growth Fund
  - Mid Cap Growth Fund
  - International Equity Fund
  - Large Cap Core Fund
  - Mid Cap Stock Fund
  - Smaller Company Fund
  - Investment Grade Bond Fund

- f. EB Management I, LLC – An investment adviser which acts as General Partner to the Aggressive Growth Partners I limited partnership, which was formed for investment purposes. Eagle holds an ownership interest in EB Management I, LLC and provides administrative and investment research services for the Partnership. Certain officers and employees of Eagle have investment interests in the Partnership.

On occasion, there may be instances in which an IAR of Raymond James and Associates, a dually registered broker/dealer and investment adviser, and corporate affiliate of Raymond James, will establish a portfolio management or consultation relationship with an IAR of RJFSA. The Raymond James and Associates IAR will also be a registered securities representative of Raymond James and Associates. The Raymond James and Associates IAR may act in a consulting role to the client, who has been referred by an IAR of RJFSA. However, the Raymond James and Associates IAR may act as the client's primary advisory representative and may refer the client to an IAR of RJFSA, who serves as their consultant. The client will be charged an advisory fee by the Raymond James and Associates or RJFSA IAR, which is shared with the affiliated IAR.

An advisory relationship may result in various forms of compensation to one or more of the affiliates. In no case is the Client under any obligation whatsoever to purchase any products sold by RJFSA or any of its affiliates.

RJFSA's affiliate, RJA acts as a market maker for various securities, including over-the-counter stocks, municipal and government bonds as well as limited partnerships. All transactions must be executed at the best price in the market. RJA also may act as principal and buys securities for itself or sells securities it owns to Clients. RJFSA does not act as a principal on any transactions involving advisory Clients.

#### **AFFILIATED MANAGERS AND FUNDS**

Eagle Asset Management, Inc. and its wholly owned subsidiary Eagle Boston Investment Management, Inc. are affiliates of Raymond James. Affiliates of Raymond James may act as a Manager in the RJCS, Freedom and Freedom UMA programs. If the client selects an affiliated Manager, or a Freedom or Freedom UMA Strategy that includes an affiliated Manager or Fund(s), the affiliated Manager will receive compensation under the terms of its Sub-Advisory Agreement with Raymond James, or the management fee received by the affiliated Fund. The participation of affiliated Managers or Funds in the programs may create a potential conflict of interest for Raymond James to recommend or select for inclusion in programs an affiliated Manager (or their affiliated Fund) over a similarly qualified and suitable non-affiliated Manager (or Fund). This potential conflict may also be present when Raymond James is considering Managers for removal from the program(s). However, Raymond James does not receive additional compensation for investing in an affiliated Manager over a non-affiliated Manager. To the extent recommendations are implemented through Raymond James on behalf of these affiliates, it should be noted that compensation will contribute to the overall profitability of the holding company, RJF.

Each Strategy available in the Freedom and Freedom UMA program has been constructed by the AMS Investment Committee to offer an alternative allocation comprised exclusively of non-affiliated Managers/Funds. The client may select a Strategy that does not contain allocations to Raymond James affiliated Managers or Funds. If no selection is made by the client in the Investment Management Client Agreement or otherwise provided in writing, the client should understand that the Strategy they select will serve as their authorization to utilize affiliated Managers and/or Funds, where applicable. The client may revoke this authorization at any time by providing Raymond James written notice.

#### **INTERCOMPANY PAYMENTS BETWEEN AFFILIATES**

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In addition to the aforementioned compensation arrangements, Raymond James and its affiliates make certain intercompany payments to compensate each other for performing various administrative services. In connection with Raymond James's mutual fund sales, Raymond James or its affiliates receive compensation from their Eagle affiliate for providing services unrelated to sales of Eagle mutual funds, including (but not limited to) consulting services, marketing services, sponsorship fees, support.

### **Code of Ethics, Personal Trading, and Participation in Client Transactions**

As part of its fiduciary duties to Clients, RJFSA endeavors at all times to put the interests of its advisory clients first. Clients should be aware, however, that the receipt of economic benefits by RJFSA [or its related persons and affiliates] in and of itself creates a potential conflict of interest.

In instances where the IAR buys or sells the same securities as those of their Clients, the Client's accounts are given priority, RJFSA has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. These procedures outline a firm wide policy statement on compliance with insider trading policies by the adviser and its associated persons and other employees. These procedures have been distributed to all associated persons and employees of applicant. The procedures include provisions for defining "insider" material, monitoring associated persons and employee securities accounts, restricting access to affiliates sensitive material and restrictions on trading.

RJFSA's parent company, Raymond James Financial, is a publicly traded company. RJFSA does not permit its IARs to recommend or solicit orders of Raymond James Financials stock.

Pursuant to Rule 204A-1 under the Advisers Act, RJFSA has adopted a Code of Ethics. RJFSA monitors the personal securities transactions of its employees, officers, directors and investment adviser representatives. The Code of Ethics set forth standards of conduct and addresses potential conflicts of interest among RJFSA, RJFSA personnel and RJFSA advisory Clients. All investment advisory Clients may request a copy of the RJFSA Code of Ethics by contacting the RJFSA Compliance Department at 800-237-8691, extension 73016.

RJFSA's affiliate, RJA acts as a market maker for various securities, including over-the-counter stocks, municipal and government bonds as well as limited partnerships. All transactions must be executed at the best price in the market. RJA also may act as principal and buys securities for itself or sells securities it owns to Clients. RJFSA does not act as a principal on any transactions involving advisory Clients.

IARs of RJFSA, who are not involved in the management of accounts, are not made aware of the purchases or sales being made by affiliated money managers. If any of the individuals who make decisions on behalf of managed accounts are purchasing or selling the same security, the transaction is effected first on behalf of the managed account.

### **Review of Accounts**

Your IAR will monitor your account to identify situations that may warrant specific actions be taken or recommended with respect to your investments or overall investment portfolio. Such reviews include, but are not necessarily limited to, suitability, performance, asset allocation, change in investment objectives and risk tolerance, concentrations and prohibited products. In addition, your IAR will provide regular investment advice or investment supervisory services, review your portfolio(s) and communicate with you at least annually, and on a quarterly basis if agreed by you, for conformity with the respective portfolios, investment objectives, changes in your financial situation, account performance and any reasonable restrictions to be imposed as to the specific assets or types of securities to be included or excluded from your portfolio(s).

Additional monitoring of accounts is provided by compliance and sales management personnel located within the corporate headquarters. Reviews include, but are not limited to; suitability, concentration, and accounts managed on a discretionary and non-discretionary basis.

### **Brokerage Statement and Performance/Billing Valuation Value Differences for Fee-Based Accounts**

The value used to calculate your asset-based advisory fee may differ from the net value shown on the brokerage statement. There are several reasons for these values to differ:

1. Trade Date versus Settlement Date – The brokerage statement values all securities and cash balances based upon trades not being completed until settlement date (when the money is due), while the value used for billing is derived from the performance system, which values all securities and cash balances based upon trade date (initiation of cost basis for performance and tax reporting purposes.) For example, if a recent buy in an account has executed, but not yet settled at quarter end, the trade will still show as a cash position on the brokerage statement. In contrast, the purchased security, and value, will be used for performance and billing calculations. Since the financial advisor's fee-based compensation is tied into the performance of the account, performance-related values are used for billing instead of the brokerage statement value.
2. Accrued Income – Accrued income reflects payments due but not yet paid to the holder of a particular security, which includes interest payments and dividends. The brokerage statement does not show accrued income in its value, while the performance-related value (and consequently the billing) does include this figure. The rationale for including the accrued income in the billing value is based on the assumption that the client will be paid that money, whether they hold the underlying security or not on the actual payment date, which in turn affects the performance of the account, and must, therefore, be included in the performance value of the account.
3. Margin Balances and Short Sales – Because the brokerage statement reads like a balance sheet, short sells and margin purchases are reflected as liabilities. For example, if a client buys a security on margin (or sells it short), they will have to pay for that security eventually, so it is shown as a liability (negative value) on the brokerage statement. The performance-related value does not view shorts and margins in this manner. Rather, clients that employ margin are in fact utilizing the advisory services of their financial advisor, who in turn is compensated for it. For comparison, a client with a retail commission-based account would be charged a commission on each margin trade/short sale because in essence a security position that did not exist before has been now been created. While considered a liability on the brokerage statement, these "new" positions are relevant from a performance and billing perspective and are therefore included for performance and billing purposes. As a result, the use of margin or short sells generally results in the largest discrepancy in terms of value between the brokerage statement and performance/billing values. This can be seen in the fact that a client's brokerage statement "net" liquidation value is reduced by liabilities, while their performance/billing value is increased.
4. Options – Clients that write calls or puts, much like short sales, are creating a potential liability by doing so. While a client may understand that the net value of the account reflects what they would receive today if all securities were liquidated, it does not take into account the advisory or commission aspects of the securities that were "created". Again, clients are charged commissions in retail accounts when writing calls or puts because a security is being created. The correlation in a fee-based account is to value the security based upon the liability of the client by taking the absolute value of the short option. For example, a call writer expects the value of a particular security to decrease. If it does, the liability gradually decreases until it becomes zero. By taking the absolute value of the liability (the opposite of the long option) we value the short option based on the client's potential obligation to pay the option holder, and thus more accurately reflect the true "value" of the position.

## **Other Compensation and Client Referrals**

### **Other Compensation**

As part of its fiduciary duties to Clients, RJFSA endeavors at all times to put the interests of its advisory Clients first. Clients should be aware, however, that the receipt of economic benefits by RJFSA [or its related persons and affiliates] in and of itself creates a potential conflict of interest.

In addition to the fee based compensation your IAR receives for providing advisory services, your IAR may earn commissions for transactional business in accordance with Raymond James Financial Services, Inc.'s published commission schedule. At the conclusion of each year, qualifying advisors are awarded membership in the Raymond James Financial Services, Inc.'s recognition clubs. Qualification for recognition clubs is based upon a combination of the advisor's annual production (both advisory and transactional), total client assets under administration, and the professional certifications acquired through educational programs.

From time to time RJFSA receives compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, affiliated and unaffiliated mutual funds,



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insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of RJFSA.

If you act upon your IAR's advice and choose to use one of RJFSA's affiliates as a money manager, custodian or purchasing insurance, RJFSA may receive compensation in the form of commissions from the affiliate. If you choose to use your IAR in their individual capacity as an insurance agent, the individual IAR will receive a commission. Additionally, if you purchase a mutual fund containing a 12b-1 fee, your IAR may receive such fee.

Effective March 1, 2011, select fund companies have agreed to pay administrative fees to Raymond James in consideration for Raymond James's waiver of the \$30 Processing Fee assessed on certain Passport Account mutual fund purchases ("Participating Funds"). Your IAR does not receive any part of these payments. For a list of fund companies that have agreed to pay Raymond James administrative fees for eligible purchases of Participating Funds, please visit the following link:

[http://www.raymondjames.com/disclosure\\_mutual\\_funds\\_co.htm](http://www.raymondjames.com/disclosure_mutual_funds_co.htm).

You may also receive a hardcopy of this list by contacting your IAR, or by contacting Raymond James Asset Management Services by phone at (800) 248-8863, extension 74991, or by sending in your written request to: Raymond James Asset Management Services – (10M), Client Services Department, 880 Carillon Parkway, St. Petersburg, FL 33716.

## **Client Referral Arrangements**

### **Professional Partner's Program**

RJFS has developed a program that will pay professionals for referrals. The professional who refers the account will receive a portion of the advisory fee but in no case will the Client pay more because of the referral (solicitor) fee. The referral fees will be on a cash only basis. The Client will be given proper disclosure about the advisory and referral fees. The professional will be either an investment adviser representative or a solicitor of RJFS.

IARs utilizing any of the previously mentioned account programs offered by RJFSA generally receive compensation in the form of asset-based fees, and this compensation is typically credited to your IAR on a quarterly basis. Certain IARs of RJFSA or its affiliates may receive additional compensation from RJFSA in consideration for referring Clients to RJFSA. This additional compensation is in the form of a rebate of RJFSA's administrative or management fee and is a portion of, not in addition to, the asset-based fee charged to your account(s) quarterly. Such rebates are based on the your IAR's Client assets invested in the following account programs offered by the RJFSA:

RJCS, Eagle, and FREEDOM and Russell – RJA IARs may receive an incremental payout increase of up to 10% based on their total Client assets in the RJCS and Eagle programs. RJFSA IARs with at least \$15 million total Client assets in the above account programs will receive a rebate of RJFSA's quarterly management fee equal to .05% of the assets invested in equity and balanced investment disciplines in the RJCS and Eagle account programs. RJA and RJFSA IARs will receive a rebate of the Registrant's management fee equal to .03% of the assets invested in the FREEDOM or Russell account programs.

Ambassador, MIP and PASSPORT - IARs with total aggregate Client assets in these account programs will receive a rebate of RJFSA's administrative fee equal to:

- Assets between \$50 million and \$100,000 million – 15%
- Assets between \$100 million and \$150,000 million – 30%
- Asset between \$150 million and \$300,000 million – 45%
- Assets of at least \$300 million – 60% or higher, subject to a maximum annualized administrative fee of \$150 per account.

IARs are typically compensated based on their annual gross production, whereby higher gross production will generally result in higher payouts. These rebate programs constitute a targeted payout increase to certain qualified financial advisors based on economies of scale achieved by RJFSA, its affiliates and financial advisors at increasing asset levels. However, such compensation arrangements may represent a conflict of interest where a financial advisor may have incentive to recommend an asset-based fee account



program rather than recommending an alternative product or service, if comparable or if available separately to Clients. Conversely, lack of such compensation may provide a disincentive to a financial advisor to recommend an asset-based fee account program to a Client. Clients should be aware of such arrangements and should consult their financial advisor for additional details regarding the financial advisor's compensations levels in fee-based accounts.

IMPAC –administrative fee account volume discounts:

**Annual IMPAC Account Administration Pricing (Per Account)**

<b>Accounts Per Branch</b>	<b>Flexible Billing Fee*</b>	<b>Standard Billing Fee</b>	<b>Discount %</b>
Less than 20	\$100	\$80	-25%
20 to 49	\$80	\$60	-25%
50 to 99	\$60	\$40	-33%
100-249	\$40	\$20	-50%
Over 249	\$30	\$15	-50%

Minimum \$250 fee per quarter will be billed per branch.

\* The administrative fee cannot be charged to the Client.

Financial advisors are typically compensated based on their annual gross production (i.e. revenue generated), whereas higher gross production will generally result in higher payouts. While Raymond James believes the charges and fees assessed to Clients within each of the asset-based fee programs are competitive with alternative programs available through other firms, competitive forces within the financial services industry necessitates that Raymond James continuously review such payouts and make adjustments when deemed necessary. With the increasing popularity of asset-based fee programs, competitive forces have generally resulted in a decrease in the annual costs to Clients. However, such decreases are not typically uniform throughout the industry, and as a result, firms generally have the discretion to adjust financial advisor payouts based on their analysis of payouts available from firms they consider to be in their peer universe. Such determinations can be complex, considering the number of banking institutions, wirehouse and regional brokerage firms, and fee-only advisers available to Clients. Raymond James endeavors to offer a wide variety of investment alternatives available to Clients and financial advisors. The rebate programs offered constitute a targeted payout increase to financial advisors in to the firm's review of compensation arrangements available within the industry, and are intended to maintain compensation parity for Raymond James' and affiliated financial advisors.

**Financial Information**

RJFSA is a qualified custodian as defined in Rule 206(4)-2, and is therefore not required to include a balance sheet for its most recent financial fiscal year.

RJFSA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

RJFSA does not require prepayment of fees of more than \$1,200, per client, and six months or more in advance.

**Other Considerations:**

**Custody**

As a registered broker-dealer, Raymond James generally maintains custody of client securities and other assets, unless the client and Raymond James otherwise mutually agree. As custodian (if applicable), Raymond James will deliver, not less than quarterly, a brokerage statement to each client detailing their account's securities holdings, cash balances, dividend and interest receipts, account purchases and sales, contributions and distributions from the account and the realized and unrealized gains or losses associated with securities transactions effected in their account.

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Clients are urged to review and compare all account statements and other reports provided by Raymond James and outside custodians (if applicable). If a client's account assets are held by a custodian other than Raymond James, the prices shown on a client's account statements provided by the custodian may be different from the prices shown on statements and reports provided by Raymond James due to the use of different valuation sources (pricing vendors) or reporting methodologies (trade date versus settlement date, accrued income, long or short margin balances, etc.) by the custodian and Raymond James.

### **Business Continuity**

RJFSA has adopted a business continuity strategy that provides for the continuation of business critical functions in the event its headquarters become partially or totally inaccessible, or a technical problem occurs affecting its applications, data centers or network. The recovery strategies RJFSA employs are designed to limit the impact on Clients from such business interruptions or disasters. Although RJFSA has taken reasonable steps to develop and implement detailed business continuity plans, unforeseen circumstances may create situations where RJFSA is unable to fully recover from a significant business interruption. However, RJFSA believes its planning and implementation process reduces the risk in this area.

### **Privacy Notice**

Raymond James Financial Services Advisors, Inc. is committed to protecting confidentiality of the information furnished to us by our Clients.

We are providing you this information as required by Regulation S-P adopted by the Securities and Exchange Commission.

### **Information about you that we collect**

We collect nonpublic personal information about you from the following sources: information we receive from you on applications or other forms or through our Web site; information about your transactions with us, our affiliate or others; and information we may receive from a consumer reporting agency.

### **Our use of information about you**

We may share information about you with other companies in the Raymond James family – that is, companies that are owned by Raymond James Financial. That may include information shared by the Eagle Family of Funds with Raymond James broker-dealers and investment advisers, and information shared among other Raymond James Financial service providers such as Financial Advisors and insurance and annuity consultants. Raymond James Financial Services, Inc. is a party to joint marketing arrangements with certain banks and credit unions. Information about Clients who participate in these programs may be shared by RJFSA with the participating bank or credit union. These financial institutions have agreed to treat any such information as confidential and not to share such information with any other parties. Otherwise, we do not disclose any nonpublic personal information about you to anyone except as permitted by law. We follow the same policy with respect to nonpublic information received from all Clients and former Clients.

### **When Financial Advisors Leave Raymond James Financial Services Advisors, Inc.**

Financial advisors may change brokerage and/or investment advisory firms and nonpublic personal information collected by your financial advisor may be received or taken by your financial advisor to the new firm so that he or she can continue to service your account(s) at the new firm. If you do not want your financial advisor to utilize and/or transfer this information to another firm, please contact 800-647-SERV (7378) to opt out of this information sharing. If your primary address is in an "opt-in" state (such as California and Vermont), which requires your affirmative consent to share your nonpublic information with the financial advisor's new firm, then you must give your written consent before Raymond James will allow your financial advisor to take your nonpublic information with him or her. You can withdraw your consent at any time by contacting 800-647-SERV (7378).

### **Additional Information for clients of the Financial Institution Division of Raymond James Financial Services**

The Financial Institution Division of Raymond James Financial Services, Inc. is a party to joint marketing arrangements with certain banks and credit unions where you obtain Raymond James' services. Information about clients who participate in these programs may be shared with the participating banks or credit unions.

These financial institutions have agreed to treat any such information as confidential and not to share such information with any other parties except as permitted by law or regulation. In addition, you may have other protections under applicable state laws. To the extent these state laws apply, we will comply with them when we share information about you.

## How we protect your confidential information

Raymond James Financial Services Advisors, Inc. has policies that restrict access to nonpublic personal information about you to those employees who have need for that information to provide investment alternatives or services to you, or to employees who assist those who provide investment alternatives or services to you. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

FACTS		WHAT DOES RAYMOND JAMES DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.		
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"><li>• Social Security number and investment experience</li><li>• Assets and income</li><li>• Account balances and account transactions</li></ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>		
How	All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons Raymond James chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does Raymond James share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes - to offer our products and services to you		Yes	No
For joint marketing with other financial companies		Yes	No
For our affiliates' everyday business purposes - information about your transactions and experiences		Yes	No
For our affiliates' everyday business purposes - information about your creditworthiness		No	We don't share
For our affiliates to market to you		No	We don't share
For non-affiliates to market to you		No	We don't share
Questions?		Call 1-800-647-7378 or go to <a href="http://www.raymondjames.com">www.raymondjames.com</a>	

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