

**FORM ADV Uniform Application for Investment Adviser Registration**  
**Part 2A: Investment Adviser Brochure**  
**Item 1: Cover Page**

# **Raymond James (USA) Ltd.**

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*This brochure provides information about the qualifications and business practices of Raymond James (USA) Ltd. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.*

*The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training.*

*Additional information about the firm and its representatives is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## **Item 2: Material Changes**

Due to a series of recent changes in securities regulation, investment advisers are now required to deliver disclosure information in this new narrative format (“Form ADV Part 2”). This brochure incorporates the same features and information provided previously within the Form ADV Part II.

Updates to the information contained within this brochure will be provided to clients on an immediate basis. This section will be updated to reflect such changes in a summary form. Should you have any questions related to these disclosures, please contact a firm representative at your convenience.

Additional information about Raymond James (USA) Ltd and its representatives is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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## **Item 4: Advisory Business**

Raymond James (USA) Ltd (“RJLU”) operates as a full service FINRA registered broker-dealer throughout the United States. Established in 1998, the firm serves as a wholly owned Canadian based subsidiary of Raymond James Ltd, which in turn is owned and operated by Raymond James Financial Inc. of St. Petersburg, Florida (Ticker symbol: RJF). Providing fee-based portfolio management services to individuals, corporate entities, trusts, charitable organizations, pension/profit sharing plans, and institutional clients, the firm’s SEC registered advisory arm serves to actively manage a wide variety of investment portfolios. As part of the Raymond James family of companies, the firm maintains access to some of the industry’s finest resources which include brokerage, in depth market research services, an experienced management team, and a broad scope of service offerings.

Generally, there are several fundamental differences between brokerage services and advisory services, which may vary depending on the characteristics of a particular service. Brokerage services primarily involve assisting the client with the purchase and sale of securities, with the provision of investment advice being only incidental to those services. Investment advisory services, on the other hand, primarily involve separately agreeing with the client to provide investment advice to meet comprehensive long-term financial goals. Brokerage firms, including RJLU, are paid both by the client, and sometimes, by others, who compensate the brokerage firm based on what the client buys. Therefore, RJLU’s and the client’s Registered Representative’s compensation may vary by product and over time.

While providing advisory services, RJLU or its affiliate has a fiduciary duty to its advisory clients, must put the client’s interests ahead of its own, and must treat all of its advisory clients fairly and equitably. Additionally, RJLU or its affiliate must disclose all material conflicts between its interests and the client’s interests, and follow rules requiring client consent when effecting trades between the accounts of two clients or engaging in principal trading (where RJLU or its affiliate, through its own account, sells a security to, or buys a security from, a client’s account).

Although RJLU has some similar obligations to brokerage account customers, brokerage activities are regulated under different laws and rules than advisory activities, and generally do not give rise to the fiduciary duties that a bank or an investment adviser has to its advisory clients. For example, broker-dealers are permitted to trade as principal with brokerage clients and act as agent for two brokerage account customers in the same trade without first obtaining client consent, provided that the broker-dealer discloses this capacity on trade confirmations sent to clients. RJLU or its affiliate providing advisory services would be obligated to monitor advisory accounts to ensure that transactions are effected in accordance with the client’s investment objectives for that account. However, RJLU does have obligations to the client when acting as the client’s broker-dealer, under rules concerning the “suitability” of our recommendations, our obligations to “know our customer,” the so-called “shingle theory,” and the rules of the self-regulatory organizations involving conduct and sales, and the firm maintains a duty to deal fairly with its clients.

The firm must take reasonable steps to ensure that the prices clients pay to execute trades are the most favorable terms reasonably available under the circumstances, and must have a reasonable basis to believe that given the client’s financial circumstances, needs, goals, and tolerance for risk, any securities recommendations that the firm makes, are suitable and appropriate.

Where the firm's principal service offerings extend to its brokerage practice, the firm provides clients with access to a wealth of investment products including mutual funds, stocks, bonds, options, interests in limited partnerships and other investments. Certain affiliates may also act as broker or agent in effecting securities transactions for clients. All transactions effected for RJLU clients are reviewed periodically by supervisory/brokerage personnel for consistency with client investment objectives.

The firm's advisory services extend to providing asset allocation recommendations to clients for separate compensation. The firm provides advice on asset allocation, diversification, and long-term investments as the primary strategies for pursuing investment objectives. Asset allocation entails the diversification of investments across various asset classes. The firm typically refrains from making any recommendations towards the short-term holding of investments. However, asset allocation and investment recommendations may cause the firm to recommend the sale of investments which have been held for less than one year in certain cases.

Asset allocation recommendations made by the firm utilize a fundamental analysis and consider a variety of factors, including the performance history of various assets, classes, and investments. The evaluation of mutual funds includes an analysis of portfolio holdings, investment policies, management philosophy, historical performance, and the qualifications of advisers, sponsors and distributors. Historical performance of investments is analyzed over periods that include several market cycles to identify investments which have demonstrated consistent long-term performance. Clients must note that past performance is not a guarantee of future results. Affiliates of RJLU may utilize other methods of analysis in formulating recommendations and making investment decisions.

Each of the firm's associated persons, are required to abide by those rules and regulations promulgated under the Investment Advisers Act of 1940, and those guidelines within the firm's written supervisory procedures manual. To properly navigate any ethical concerns, the firm also maintains a Code of Ethics. The Code of Ethics set forth the standards of business conduct for associated persons and provides procedural guidelines for the proper handling of personal securities transactions conducted by firm personnel.

**Assets Under Management:** RJLU does not maintain any assets under management as of this date.

## **Item 5: Fees and Compensation**

Pursuant to a written agreement, the firm's advisory services are provided at a negotiable rate of compensation. The firm's asset management fees are derived from a percentage of the assets under management and typically range from 1.0 to 2.5% annually. Depending on circumstances particular to the client or their account, the fee may be charged on a monthly or quarterly basis, but in arrears and based on the amount of the assets managed by the firm as of the opening of business on the last business day of each month.

*Please note;* the firm's investment management services are provided according to a minimum financial commitment. Where the firm has been contracted, clients must maintain a minimum of \$100,000 within their advisory accounts at all times. The firm's management strategy is such that the services rendered are most cost effective where client accounts are maintained at or above this value mark.

Fees are prorated for such accounts beginning on any date other than a monthly start date. All fees remain negotiable, but at the sole discretion of the firm. Per written agreement/authorization, management fees will be automatically deducted from accounts held with Penson Financial Services, Inc. (“Penson”); a subsidiary of Penson Worldwide Inc. [www.penson.com]. In its capacity as an unaffiliated third party service provider, Penson serves to reconcile each client-based securities transaction and operates primarily as the firm’s custodian for such accounts.

Where the firm provides advice in addition to its brokerage services (see Item 12 for further discussion relative to brokerage), each service carries a separate and distinct fee structure. In tandem with the advisory fee, all costs incurred by the firm’s brokerage practices are charged to the clients account. Such fees remain exclusive of those fees charged to the account by Penson for its custodial and execution services. Where investment companies may charge additional fees to their shareholders, clients must note that these fees are also charged to the account. Clients are advised that the services provided by RJLU and its affiliates may be found elsewhere at a reduced rate, but at the exception of the professional services provided by the firm.

The firm and its associated personnel may be the recipients of additional compensation for the purchase and/or sale of certain investment products. In addition to their advisory and brokerage duties, registered personnel may serve as separately licensed insurance brokers or agents. Where such products are sold to advisory/brokerage clients, these sales are made pursuant to an arrangement whereby commission-based compensation is then paid to the representative responsible for the sale.

Such payments work in tandem with those paid by each investment company, insurance carrier, affiliated brokerage firm and others. In certain cases, the firm may negotiate the amount of advisory fees charged where the receipt of such commission-based compensation presents fair and equal payment for services rendered. This determination remains the sole decision of RJLU. Where the receipt of this additional non-advisory-related compensation presents a conflict of interest, RJLU monitors the business activities of its associated personnel to ensure that such persons refrain from favoring such incentive-based arrangements. RJLU maintains its fiduciary obligation to clients by conducting regular oversight of such activities and maintaining a policy of serving the clients best interests first.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after engagement. All agreements remain non-transferable unless otherwise consented-to in writing by the client.

#### **Item 6: Performance-Based fees and Side-by-Side Management**

RJLU’s investment management services are rendered on an individual basis in consideration for a percentage of the assets under the firm’s management. Such services do not extend to the management of a pooled group of funds or the implementation of any incentive or performance-based fees. RJLU provides its asset management services exclusive of any private fund offerings.

## **Item 7: Types of Clients**

RJLU's service offerings extend to individuals, trusts, pension/profit sharing plans, charitable organizations, corporate entities, and institutional clients. Pursuant to the terms and conditions of a written agreement, each client must maintain a minimum of \$100,000 in their respective accounts. Such a requirement allows RJLU to provide more cost effective services and allows for greater access to certain sectors of the marketplace. In certain cases, the firm may service accounts of a lesser value; however this determination remains at the sole discretion of the firm.

## **Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss**

RJLU employs several methods of analysis and utilizes a wide variety of resources with respect to its investment management strategies. The methods of analysis include the following:

- *Charting:* Charting consists of preparing a technical analysis using diagrams to illustrate various patterns or progressions in market or account movement.
- *Fundamental:* Fundamental analysis is a general assessment based upon various factors including sale price, asset value, market structure, and history.
- *Cyclical:* Cyclical analysis is a time based assessment which incorporates past and present performance to determine future value.
- *Technical:* Similar to charting, technical analysis employs the use of statistical models and quantitative methodologies to evaluate performance and value over a specified period of time.

As RJLU maintains an affiliate relationship with a variety of investment related entities, the firm makes use of a variety of information provided by such affiliates to better formulate its investment management strategies. From independent research on equity markets to the review of annual reports, RJLU also relies upon the expertise of its professional asset managers to provide clients with a wealth of sound investment advice.

Where value and growth remains a mainstay of the firm's overall investment management strategy, investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Where short term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a more conservative or long term purchase approach. Questions regarding these risks and/or increased costs should be directed to the firm and its representatives.

## **Item 9: Disciplinary Information**

As a dually registered broker-dealer and investment adviser, RJLU is obligated to provide clients with certain information relative to their decision making process in selecting an adviser. As a newly registered adviser, RJLU has not been the subject of any legal, regulatory, disciplinary or otherwise reportable action. However, the firm's broker-dealer practice was subject to a 2006 NASD violation of SEC Rule 17A-4. This Rule requires brokerage firms to maintain electronic communications records for a period of three years or more. Without admitting or denying the Association's findings, RJLU

paid a monetary fine of \$50,000 to settle the matter formally. For further information regarding this event, please visit <http://brokercheck.finra.org>.

## **Item 10: Other Financial Industry Activities and Affiliations**

RJLU is a Canadian based wholly owned subsidiary of Raymond James Ltd. Raymond James Ltd is owned and operated by Raymond James Financial Services, Inc., a publically held entity in the United States. RJLU remains under the control of its Canadian parent company Raymond James Ltd. RJLU is also indirectly affiliated with a variety of other investment advisers, brokerage entities, and other financial institutions. However, the firm's advisory and brokerage services remain the exclusive domain of RJLU.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

As required by Rule 204A-1 of the Investment Advisers Act of 1940, RJLU has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients, and sets forth its practice of supervising the personal securities transactions of employees who maintain access to client information.

Where the firm is engaged in the business of executing securities transactions on behalf of clients and those accounts held by firm personnel, the potential for conflict of interest is magnified. For their own accounts, firm personnel may purchase and/or sell those securities that have been similarly recommended to clients. Such transactions remain under strict supervision and subject to regular review by the firm's compliance staff.

Serving in a dual role as registered representatives and investment adviser representatives, firm personnel are subject to the receipt of both commission and fee-based income. Commissions are paid where purchases and sales are made for each account. Accordingly, it is presumed that the firm and its personnel would have an incentive to trade heavily in client accounts. However, all trading is supervised to ensure that each client's investment objectives and goals are being adhered to. The firm conducts a regular review of all firm-client communications and performs routine surveillance of its trading practices to ensure that clients receive the best possible service overall.

Where the firm is bound to honor the policies stated within its Code of Ethics, the Code is frequently reviewed for modifications and updates in keeping with the latest securities regulations. A copy of the Code remains available for review upon request.

## **Item 12: Brokerage Practices**

As a duly registered broker-dealer and investment adviser, RJLU's advisory offerings are provided in conjunction with its brokerage services. Where advice provided to clients relates to a range of potential investments, the firm's brokerage services are available to execute those transactions. Although each service retains its own fee schedule or pricing structure, the firm provides both services in order to accommodate clients in the most efficient manner possible.



The firm also maintains a fiduciary duty to seek the best execution pricing available for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client.

RJLU's primary objective when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as;

- price,
- size of order,
- difficulty of execution,
- confidentiality, and
- broker skill.

Based on the above criteria, the firm may not necessarily pay the lowest commission or commission equivalent as specific transactions can involve specialized services on the part of the broker. This would justify higher commissions (or their equivalent) than other transactions requiring routine services.

If the firm is directed by a client to direct trades to another broker-dealer for trade execution, it must be noted that the firm's ability to negotiate commissions (where applicable), obtain volume discounts, or otherwise obtain best execution may not be as favorable as might otherwise be obtained.

In accordance with Section 28(e) of the Securities Exchange Act of 1934, RJLU may cause its institutional accounts to pay commission rates in excess of those charged by others for effecting what is essentially the same transaction. Such an arrangement is deemed to be appropriate where the firm has made a good faith determination that the commission paid is reasonable in relation to the value of the brokerage and research services provided. Such research services may include reports containing specific analysis of various sectors of the securities marketplace. Accordingly, these research materials are then utilized to provide ongoing services to the participating accounts.

While RJLU's brokerage and advisory services are priced at the most competitive rates available, clients are encouraged to weigh their options and review this and all other disclosure materials carefully.

### **Item 13: Review of Accounts**

Accounts are monitored on an ongoing basis by firm personnel Bruce Krutow, Rebecca Fairbanks, and Amanda Archibald. As the primary account supervisor, Bruce Krutow will be responsible for monitoring the advisers and their accounts. Rebecca Fairbanks and Amanda Archibald will be responsible for the compliance oversight of the supervision process. Such reviews will include but are not limited to; suitability, concentration, and accounts managed on a discretionary basis and non-discretionary basis.



Clients are sent written statements on a monthly or quarterly basis depending on the level of activity within the account. Such statements reflect the account value, the holdings within, and the activity conducted over the previous period. Clients are encouraged to review their statements carefully and to contact the firm with any questions or concerns regarding same. Clients must also contact the firm immediately with any changes to their financial situation as such changes may impact the status of their investment account(s).

#### **Item 14: Client Referrals and Other Compensation**

RJLU may utilize the services of third party individuals and/or unaffiliated firms as referral agents or solicitors to find assist with finding new clients and/or business opportunities. In consideration for such services, the firm may compensate the third party with a negotiable percentage of the firm's management fee. In accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations, the firm requires that an appropriate disclosure is made to each referral client and that certain registration obligations are adhered-to where applicable.

#### **Item 15: Custody**

Other than the client authorized direct deductions of fees from accounts held by a qualified custodian, RJLU does not maintain or accept custody of client funds or securities. All accounts are held in the custody of Penson Financial Services, Inc. ("Penson"); a subsidiary of Penson Worldwide Inc. [www.penson.com]. In its capacity as an unaffiliated third party service provider, Penson serves to reconcile each client-based securities transaction and operates primarily as the firm's custodian for such accounts. As stated previously throughout this brochure, clients are encouraged to review their account statements carefully. Questions or concerns regarding same may be directed to the firm and its personnel.

#### **Item 16: Investment Discretion**

RJLU maintains full discretionary authority over managed accounts. Clients acknowledge same within a written agreement which contains all applicable limitations to such authority. The firm's discretionary management extends to the types and amounts of securities purchased or sold, the timing of same, and the overall decision making authority with respect to following the client-defined investment objectives and goals.

#### **Item 17: Voting Client Securities**

Due to the nature of the securities that RJLU's typically invests in, the firm is often subject to the receipt of proxy voting statements from a variety of issuers. Where the firm is generally granted the authority to vote such proxies as reflected in the agreement, the firm has a duty to carefully weigh the client's needs with those of the ballot issue. The firm will often make such determinations after careful consideration of the facts and circumstances at hand. Clients may choose to accept the responsibility of voting by way of an acknowledgement within the agreement.

To assist those firm personnel with the task of voting, the firm has adopted and implemented written Proxy Voting Policies and Procedures ("Proxy Voting Procedures"). These procedures are designed to

ensure that the firm votes proxies within the best interest of clients. The procedures further describe how the firm addresses voting authority, any material conflict of interest, voting decisions, client notifications, and record-keeping requirements.

A copy of the firm's Proxy Voting Policies and Procedures and a record of votes cast may be obtained by contacting the firm directly.

## **Item 18: Financial Information**

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain financial information about their business practices that might serve as material to a client's decision in choosing an adviser.

As of the date of this filing, RJLU does not require the pre-payment of any fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.

## **Item 19: Miscellaneous**

*Business Continuity:* As a dually registered investment adviser/broker-dealer, RJLU maintains a business continuity plan in the event of a disruption in business. Among other issues, the plan details how clients may access their accounts in the event of an emergency. A copy of the plan is available for review by request.

*Privacy:* As reflected within the firm's privacy policy, RJLU prohibits the public disclosure of any client related nonpublic/personal information-except as provided by law. Such client-related information is maintained in a safe and secure manner at all times. Questions regarding the firm's privacy policy may be addressed to the firm and/or appropriate personnel.