



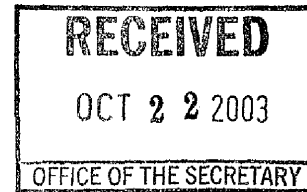
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October 16, 2003

Jonathan G. Katz, Secretary
Securities and Exchange Commission
450 Fifth Street N.W.
Washington, DC 20549-0609

Re: SR-NASD-2002-108

Dear Mr. Katz:



On behalf of Raymond James Financial, Inc. (Raymond James) we appreciate the opportunity to comment on the proposed amendments to the Business Continuity and Contingency Planning rule proposals filed by the NASD and NYSE. Since the NASD and NYSE have made substantially similar proposals, the following comments apply to both proposals. We will, however, file separately with respect to each proposal.

Raymond James is a Florida based holding company whose subsidiaries are engaged in the full range of financial services. Two subsidiaries are registered broker-dealers, and would be subject to the proposed rules: Raymond James & Associates, Inc., which is a member firm of the NYSE and NASD, and Raymond James Financial Services, Inc., which is a member of the NASD. These broker-dealer subsidiaries have over 1,600 offices located throughout the United States and are represented through over 4,500 financial advisors in these offices.

Raymond James has established a Business Continuity Plan (BCP) for all its mission critical business activities which is administered by a dedicated Business Continuity Planning staff. A major feature of our BCP is the ability to transfer all securities processing activities for mission critical activities to a remote location on short notice, and the maintenance of redundant processing capacity at that location to assure the ability to process transactions in the event of an emergency. Accordingly, Raymond James is fully committed to the concept that financial services providers must be prepared to act promptly and effectively to meet emergency conditions.

RAYMOND JAMES
FINANCIAL, INC.

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While we support the objectives of the proposed regulatory requirements, we believe that two substantive rules proposed by the **NASD** and NYSE have not been thoroughly considered, and would impose requirements on member firms that it would be difficult, if not impossible, for them to comply with. For this reason, we ask that the Commission reject both of these proposals.

I. The proposed requirement that business continuity plans must address "critical business constituents, banks, and counterparties" would unreasonably impose responsibility on member firms for issues beyond their control (NASD Rule 3510 (c) (6); NYSE Rule 446 (c) (7)).

This proposal would appear to impose upon member firms the impossible requirement of addressing how they would remedy the possible failure of industry-wide systems on which all parties must rely: utilities like the Depository Trust Company, for **example**, or industry providers like BRASS, or other industry utilities or services. By moving required business plans to this level of detail, the rules would impose an impossible burden on member firms, since it is possible to imagine scenarios where central aspects of the securities processing system are simply not available. No amount of "planning" by a single member **firm** would enable it to respond to the absence of the Depository Trust Company, and it is illusory for the NASD or NYSE to suggest that firms make appropriate plans to deal with such catastrophic scenarios.

2. The proposed requirement for disclosure of business plans to respond to "events of varying scope" would be impossible to comply with. (NASD Rule 3510 (e); NYSE Rule 446 (d)).

The proposed rules would require each member firm to disclose to customers in writing how its business continuity plan addresses the possibility of future significant business disruption, and how the firm plans to respond to events of varying scope. Raymond James has identified over 200 mission critical functions in its various departments and has developed response plans for each of these functions. These are maintained in an interactive data base and are regularly updated and revised by the departments and reviewed by the BCP office.

These plans comprise thousands of pages of detailed plans. It is impossible to "summarize" these plans in any realistic way, other than at a level of generality that would be meaningless. The exercise of "summarizing" these thousands of pages and regularly reviewing them and disseminating them to customers would simply detract from the time available to actively manage, test and improve these systems.

We recommend that this proposed requirement be rejected by the Commission.

Alternatively, the NASD and NYSE should require that each member firm confirm to its customers at least once a year that it has in place a business continuity plan that meets the requirements of the applicable rules.

We appreciate the opportunity to respond to the Commission with respect to these highly important proposals.

Very truly yours,



Barry S. Augenbraun
Senior Vice President and
Corporate Secretary