RAYMOND JAMES FINANCIAL INC
Form DEF 14A
January 25, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant	þ
Filed by a Party other than the Registrant	o

Check the appropriate box:

o	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material pursuant to Rule 14a-12

RAYMOND JAMES FINANCIAL, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ	No fee required.
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
1)	Title of each class of securities to which transaction applies:
2)	Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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3) Filing Party:

4) Date Filed:

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RAYMOND JAMES FINANCIAL, INC.
880 Carillon Parkway
St. Petersburg, Florida 33716
(727) 567-1000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

February 23, 2012

To the Shareholders of Raymond James Financial, Inc.:

The annual meeting of shareholders of Raymond James Financial, Inc. will be held at the Raymond James Financial Center, 880 Carillon Parkway, St. Petersburg, Florida, on Thursday, February 23, 2012 at 4:30 p.m. for the following purposes:

1. To elect ten nominees to our Board of Directors.
2. To ratify the appointment by the Audit Committee of our Board of Directors of KPMG LLP as our independent registered public accounting firm.
3. To approve the 2012 Stock Incentive Plan.
4. To approve an advisory (non-binding) resolution on the Company s executive compensation.

Shareholders of record as of the close of business on December 16, 2011 will be entitled to vote at this meeting or any adjournment thereof. Information relating to the matters to be considered and voted on at the Annual Meeting is set forth in the proxy statement accompanying this Notice.

By order of the Board of Directors,
/s/ PAUL L. MATECKI
Paul L. Matecki, Secretary

January 23, 2012

YOUR VOTE IS IMPORTANT TO US, since brokers can no longer vote on your behalf for the election of directors or on executive compensation matters without your instructions. If you do not expect to attend the meeting in person, please vote on the matters to be considered at the meeting by completing the enclosed proxy and mailing it promptly in the enclosed envelope, or by telephone or internet vote.

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Important Notice Regarding the Availability of Proxy Materials For the Shareholder Meeting to be held on February 23, 2012

The proxy statement, proxy card and 2011 annual report to shareholders are available at www.RaymondJames.com under Our Company Investor Relations Shareholders Meeting

The annual meeting of shareholders of Raymond James Financial, Inc. will be held on February 23, 2012 at 4:30 p.m. at our offices at 880 Carillon Parkway, St. Petersburg, Florida.

The matters intended to be acted upon are:

1. To elect ten nominees to our Board of Directors.
2. To ratify the appointment by the Audit Committee of our Board of Directors of KPMG LLP as our independent registered public accounting firm.
3. To approve the 2012 Stock Incentive Plan.
4. To approve an advisory (non-binding) resolution on the Company s executive compensation.

The Board of Directors recommends voting in favor of the nominees listed in the proxy statement, for ratification of the appointment of KPMG LLP, for approval of the plan, and for approval of the advisory (non-binding) resolution on executive compensation.

The following proxy materials are being made available at the website location specified above.

1. The proxy statement for the 2012 annual meeting of shareholders;
2. The 2011 annual report to shareholders;
3. The form of proxy card being distributed to shareholders in connection with the 2012 annual meeting of shareholders.

Control/identification numbers are contained in the proxy materials accompanying this notice.

To obtain directions to attend the annual meeting and vote in person at our headquarters, you may visit our website at www.raymondjames.com/shareholders or you may contact the Corporate Secretary at (727) 567-5185.

If the form of proxy is completed, signed and returned, the shares represented thereby will be voted at the meeting. Delivery of the proxy does not affect your right to attend the meeting. However, if your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy from the holder of record, executed in your favor, to be able to vote at the meeting. Otherwise, your shares will be voted in the manner in which you instructed the record holder of your shares.

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PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of Raymond James Financial, Inc. (**we**, **our**, **us**, **RJF** or sometimes the **Company**) for the Annual Meeting o Shareholders to be held on February 23, 2012 at 4:30 p.m., or any adjournment thereof. These proxy materials are expected to be mailed out on or about January 30, 2012, to all shareholders entitled to vote at the meeting.

If the accompanying proxy form is completed, signed and returned, the shares represented thereby will be voted at the meeting. Delivery of the proxy does not affect your right to attend the meeting. However, if your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy from the holder of record, executed in your favor, to be able to vote at the meeting. Otherwise, your shares will be voted in the manner in which you instructed the record holder of your shares.

If you are a shareholder of record, you may revoke your proxy at any time prior to the close of the polls at the Annual Meeting by submitting a later dated proxy to our Corporate Secretary, or delivering a written notice of revocation to our Corporate Secretary, at Raymond James Financial, Inc., 880 Carillon Parkway, St. Petersburg, Florida, 33716. If you hold shares through a bank, broker or other holder of record, you must contact that entity to revoke any prior voting instructions.

Each share of our common stock outstanding on the record date will be entitled to one vote on each matter. The ten nominees for election as directors who receive the most votes for election will be elected. Ratification of the appointment of our independent registered public accounting firm and approval of Proposals 3 and 4 or other business that may properly come before the meeting will each require that the votes cast favoring the action exceed the votes cast opposing the action. Because your vote on Proposal 4 is advisory, the results of that vote will not be binding on the Board. However, the Company s Corporate Governance, Nominating and Compensation Committee (the **CGN&C Committee**) will take into account the outcome of the vote when considering future executive compensation arrangements.

For election of directors, withheld votes, abstentions and broker non-votes do not affect whether a nominee has received sufficient votes to be elected. For the purpose of determining whether the shareholders have approved matters other than the election of directors, withheld votes, abstentions and broker non-votes do not have the same effect as a negative vote. Shares represented at the Annual Meeting in person or by proxy are counted for quorum purposes, even if they are not voted on any matter. Please note that brokers that have not received voting instructions from their customers may vote their customers shares on the ratification of KPMG LLP as our independent registered public accounting firm, but not on the election of directors, Proposal 3 and Proposal 4.

A copy of our 2011 annual report is being furnished to each shareholder together with this proxy statement. All proxy solicitation costs will be paid by us.

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SHAREHOLDERS SHARING THE SAME LAST NAME AND ADDRESS

In accordance with notices that certain banks and brokerage firms sent to certain shareholders, shareholders who share the same last name and address are receiving only one copy of our annual report and proxy statement, unless they have notified us that they want to continue receiving multiple copies. This practice, known as householding, is designed to reduce duplicate mailings and save significant printing and postage costs as well as natural resources.

If you received a household mailing this year and you would like to have additional copies of our annual report and/or proxy statement mailed to you, or you would like to opt out of this practice for future mailings, please contact the Corporate Secretary at (727) 567-5185 or write to him care of Raymond James Financial, Inc., 880 Carillon Parkway, St. Petersburg, FL 33716. We will promptly send additional copies of the annual report and/or proxy statement upon receipt of such request.

Householding for bank and brokerage accounts is limited to accounts within the same bank or brokerage firm. For example, if you and your spouse share the same last name and address, and you and your spouse each have accounts containing Raymond James Financial stock at two different brokerage firms, your household will receive two copies of our annual meeting materials one from each brokerage firm. To reduce the number of duplicate sets of annual meeting materials your household receives and help preserve our natural resources, you may want to take advantage of our electronic access program. See Electronic Access to Proxy Materials and Annual Report; Internet Voting .

ELECTRONIC ACCESS TO CORPORATE GOVERNANCE DOCUMENTS

We also make available on our Internet site at http://www.raymondjames.com under Our Company Investor Relations Corporate Governance a number of our corporate governance documents. These include: our Corporate Governance Principles, the charters of the Audit Committee and the CGN&C Committee of the Board of Directors, the Senior Financial Officers Code of Ethics, the Codes of Ethics for Employees and the Board of Directors and our Compensation Recoupment Policy. Printed copies of these documents will be furnished to any shareholder who requests them. Contact the Corporate Secretary at (727) 567-5185. The information on our Internet site is not incorporated by reference into this proxy statement.

ELECTRONIC ACCESS TO PROXY MATERIALS AND ANNUAL REPORT; INTERNET VOTING

This notice of Annual Meeting and proxy statement and the 2011 annual report are available on our Internet site. If you are a shareholder of record and would like to view future proxy statements and annual reports over the Internet instead of receiving copies in the mail, follow the instructions provided when you vote over the Internet. If you hold your shares through a bank, broker or other holder, check the information provided by that entity for instructions on how to elect to view future proxy statements and annual reports electronically in lieu of receiving copies and how to vote your shares over the Internet. Opting to access your proxy materials online saves us the cost of producing and mailing these materials to your home or office and gives you an automatic link to the proxy voting site.

Most shareholders of record have a choice of voting over the Internet, by telephone, or by using a traditional proxy card. Please check your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you.

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SHAREHOLDERS ENTITLED TO VOTE AND PRINCIPAL SHAREHOLDERS

Shareholders of record at the close of business on December 16, 2011 will be entitled to notice of, and to vote at, the Annual Meeting. As of December 16, 2011, there were 126,413,140 shares of common stock outstanding and entitled to vote. Shareholders are entitled to one vote per share on all matters.

The following table sets forth, as of December 16, 2011, information regarding the beneficial ownership of our common stock by each person known by us to own beneficially more than five percent of the shares of our common stock, each director, our Chief Executive Officer, Chief Financial Officer and the three other highest paid executive officers, including our Executive Chairman (those five executive officers are listed in the Summary Compensation Table and are collectively referred to as the **Named Executive Officers**), and all directors and executive officers as a group.

Name	Beneficially Owned Shares		Percent of Class
Robert A. James Irrevocable Trust 880 Carillon Parkway St. Petersburg, FL 33716	7,541,030		5.97 %
Thomas A. James, Executive Chairman, Director	22,188,792	(1)(2)	17.55%
Shelley G. Broader, Director	3,500	(3)(4)	*
Francis S. Godbold, Vice Chairman, Director	501,182	(1)(5)	*
H. William Habermeyer, Jr., Director	8,550	(4)(6)	*
Chet Helck, EVP RJF, CEO of Global Private Client Group RJF,(7) Director	221,122	(1)(8)	*
Gordon L. Johnson, Director	1,050	(4)	*
Jeffrey P. Julien, CFO, Executive Vice President	102,738	(1)(9)	*
Paul C. Reilly, CEO, Director	258,528	(1)(10)	*
Robert P. Saltzman, Director	3,500	(4)(11)	*
Hardwick Simmons, Director	42,906	(4)(12)	*
Susan N. Story, Director	3,500	(4)(13)	*
Dennis W. Zank, COO RJF, CEO RJA(7)	224,831	(1)(14)	*
All Executive Officers and Directors as a Group (24 persons)	24,358,809	(1)(4)(15)	19.27%

* Less than one percent.

(1) Includes shares credited to Employee Stock Ownership Plan accounts.

(2) Includes 175,893 shares owned by The Robert A. James and Helen W. James Annuity Trust, of which Thomas A. James is a remainder beneficiary and for which Thomas A. James serves as trustee. Includes shares held by two trusts, of which he is not a beneficiary: 7,541,030 shares owned by the Robert A. James Irrevocable Trust and 123,131 shares owned by the James Grandchildren s Trust, for both of which Thomas A. James serves as trustee, and both of which have as beneficiaries other James family members. Thomas A. James disclaims any beneficial interest in these two trusts. Includes 25,363 shares of common stock held in a margin account.

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(3) Includes 2,500 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011.

(4) Each of the outside directors hold 2,000 restricted stock units (**RSUs**) that vest 60% on the third anniversary of the grant date, 20% on the fourth anniversary of the grant date and 20% on the fifth anniversary of the grant date. Those RSUs are not included in the share numbers in the beneficially owned shares column.

(5) Includes 500,000 shares of common stock held in a margin account.

(6) Includes 5,000 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011.

(7) Titles effective January 1, 2012.

(8) Includes 27,000 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011 and 181,089 shares of common stock held in a margin account.

(9) Includes 27,960 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011 and 43,260 shares of common stock held in a margin account.

(10) Includes 5,000 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011 and 76,497 shares of common stock pledged as collateral for a line of credit from an unaffiliated third party as of December 16, 2011.

(11) Includes 2,500 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011.

(12) Includes 5,000 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011.

(13) Includes 2,500 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011.

(14) Includes 27,000 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011, 16,691 shares of common stock held in a margin account and 126,816 shares of common stock pledged as collateral for a loan from an unaffiliated third party as of December 16, 2011. The pledged shares were subsequently released from the pledge and returned to Mr. Zank.

(15) Includes 223,460 outstanding stock options that are exercisable as of or within 60 days from December 16, 2011. This number of beneficially owned shares also includes 1,192,036 shares of common stock held in margin accounts and 203,313 shares of common stock pledged as collateral for certain loans from an unaffiliated third party as of December 16, 2011.

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PROPOSAL 1: ELECTION OF DIRECTORS

Our Board of Directors presently consists of six independent directors and four affiliated directors. All of the current members of the Board of Directors have been proposed for re-election by the CGN&C Committee of the Board of Directors.

The ten directors to be elected are to hold office until the Annual Meeting of Shareholders in 2013 and until their respective successors shall have been elected. All of the nominees were elected by the shareholders on February 24, 2011, to serve as our directors until the Annual Meeting of Shareholders in 2012.

It is intended that proxies received will be voted to elect the nominees named below. Should any nominee decline or be unable to accept such nomination to serve as a director due to events which are not presently anticipated, discretionary authority may be exercised by the holder of the proxies to vote for a substitute nominee.

The Board of Directors strives to ensure diversity of representation among its members. Of the ten director nominees, two are women and one is African-American. Increasing diversity is a priority, and when considering prospects for possible recommendation to the Board of Directors, the CGN&C Committee reviews available information about the prospects, including gender, race and ethnicity, as well as experience, qualifications, attributes and skills. The CGN&C Committee evaluates the efforts towards increasing diversity as part of its annual self-assessment process.

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THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE FOLLOWING NOMINEES:

Nominee	Age	Principal Occupation (1) and Directorships	Director Since
Shelley G. Broader*	47	President and Chief Executive Officer of Walmart Canada Corp. since September 2011. Former Chief Merchandising Officer of Walmart Canada Corp. from December 2010 to September 2011. Former Senior Vice President, Sam s Club, a division of Wal-Mart Stores, Inc. from 2009 to 2010. Former President and Chief Operating Officer, Michaels Stores, Inc. from 2008 to 2009. President and Chief Executive Officer, Kash n Karry Food Stores, Inc. (doing business as Sweetbay Supermarket) from 2006 to 2008. President and Chief Operating Officer, Kash n Karry Food Stores, Inc. from 2003 to 2006. From 1991 to 2003, positions of increasing management responsibility at Hannaford Bros. Co., culminating in Senior Vice President, Business Strategy, Marketing and Communications. Prior financial service industry experience includes Massachusetts Financial Services Company and Assistant Vice President at First Albany Corporation. Trustee, St. Leo University. Ms. Broader brings to our Board a current retail consumer marketing perspective from outside the financial services industry coupled with a degree of financial services experience early in her career. That perspective provides us with current insights into marketing to the younger segment of the population, which we expect to become more useful to us as those individuals need for financial services increases with their wealth and age. In addition, she has had full profit and loss responsibility for significant operations of both public and private companies over the last several years. Member of the Audit Committee.	2008
Francis S. Godbold	68	Vice Chairman of Raymond James Financial, Inc. (**RJF**) since 2002. Director and Officer of various affiliated entities, including serving as a director of Raymond James Bank and a member of its Executive Loan committee. Mr. Godbold brings 42 years of management experience at our Company, including 15 years of service as President of the Company, capital market transaction experience in both favorable and difficult markets, significant stock ownership and an enduring commitment to our Company.	1977

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Nominee	Age	Principal Occupation [1] and Directorships	Director Since
H. William Habermeyer, Jr.*	69	Director, Southern Company since 2007. Director, Biltmore Farms, LLC since 2007. Director, USEC, Inc. since 2008. Former President and CEO, Progress Energy Florida from 2000 to 2006. Vice President, Carolina Power & Light from 1993 to 2000. U.S. Navy from 1964 to 1992 retired a Rear Admiral. Mr. Habermeyer had a 42 year career involving managing in large, complex organizations, extensive familiarity with the challenges of operating a business in a highly regulated environment, and experience as a public company CEO. Member of the Audit Committee.	2003
Chet Helck	59	Effective January 1, 2012, Mr. Helck became Executive Vice President of RJF and Chief Executive Officer of RJF s Global Private Client Group. Prior to that, Mr. Helck was Chief Operating Officer of RJF from 2002 to 2011. President of RJF from 2002 to April 2009. Executive Vice President of Raymond James Financial Services, Inc. (**RJFS**), our wholly owned subsidiary, from 1999 to 2002. Senior Vice President, RJFS from 1997 to 1999. Director of RJFS, Raymond James & Associates, Inc. (**RJA**) and Raymond James Ltd. (**RJ Ltd.**), our wholly owned Canadian subsidiary (formerly Goepel McDermid Inc., a Canadian brokerage firm). Director, since 2003, and named Chair-Elect in November 2011, Securities Industry and Financial Markets Association (formerly Securities Industry Association). Mr. Helck has over 28 years of experience in the financial services industry, 22 of which have been at our Company, extensive background in sales and marketing to retail customers, a broad perspective on the financial services industry from his trade association participation, experience dealing with regulatory and compliance issues as well as the challenges presented in managing a widespread sales force.	2003

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Nominee	Age	Principal Occupation [1] and Directorships	Director Since
Thomas A. James	69	Chairman of the Board of RJF since 1983, having also served as Chief Executive Officer from 1970 to April 30, 2010. As Chief Executive Officer, Mr. James chaired the Company s Operating Committee, the monthly financial review and the budget process. As Executive Chairman, Mr. James still participates in those activities. Mr. James continues to chair RJF s Compliance and Standards Committee. Mr. James has been active in the Financial Services Roundtable since 2000, and served as its Chairman in 2007. He is a former Chairman of the Florida Council of 100 and a former Chairman of the Securities Industry Association (now, the Securities Industry and Financial Markets Association). As our former Chief Executive Officer and current Executive Chairman, Mr. James more than 40 years of service to the Company as CEO brings to the board a unique understanding of our businesses and the financial services industry as well as the perspective of an entrepreneur who led the building of our Company, which his father founded. His paternal commitment to the Company, including his large stock ownership position, means he is strongly aligned with the interests of shareholders. He has been a certified financial planner since 1978. As CEO, he exercised direct oversight of our chief financial officer. Mr. James serves on the board of Cora Health Services, Inc. and was a director of OSI Restaurant Partners, Inc. from 2002 to 2008. During his career, he served on the boards of seven other companies.	1963
Gordon L. Johnson*	54	President of Highway Safety Devices, Inc., a 150-employee company that installs and repairs signalization, guardrails, signage and street lighting related to municipal roadway projects; Director, Raymond James Bank (**RJ Bank**) since May 1, 2007; Director, AvMed, Inc., the largest Florida non-profit health plan; banking manager and executive for 23 years, including 20 with Bank of America and its predecessors; CEO of Stonegate Partners, LLC, a financial buyout firm, from 2002 to 2004. Mr. Johnson brings 23 years of experience with unaffiliated banks and four years as a director of RJ Bank to the parent board at a time when RJ Bank has become a significant segment of the overall company. He also brings the perspective of an entrepreneur and consumer of business related financial services. Member of the CGN&C Committee.	2010

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Nominee	Age	Principal Occupation [1] and Directorships	Director Since
Paul C. Reilly	57	Chief Executive Officer of RJF since May 1, 2010. Prior to that he was President of RJF from May 1, 2009 to April 30, 2010. Former Executive Chairman, Korn Ferry International from July 1, 2007 to April 30, 2009. Chairman and Chief Executive Officer, Korn Ferry International from 2001 to 2007. Chief Executive Officer, KPMG International from 1998 to 2001. Prior to being named to that position, he was Vice Chairman, Financial Services of KPMG LLP, the United States member firm of KPMG International. Mr. Reilly s prior experience as chief executive officer of two complex and global organizations, one of which was a public company, combined with his background as a CPA and financial services consultant, brings a perspective to the board beyond the financial services industry, while his previous service on our board provides continuity with prior senior management.	2006
Robert P. Saltzman*	69	Since retiring as President and Chief Executive Officer of Jackson National Life Insurance Company in 2001, Mr. Saltzman has managed his personal investments, occasionally consulted with parties unaffiliated with the Company on life insurance matters and assisted a family member in connection with the purchase and financing of a private company in which he now is an investor. Mr. Saltzman was a director of WNC First Corporation, a privately held property and casualty insurance underwriter, from November 2004 to June 2011. He also served as a Director and Audit Committee Chairman of Enhance Financial Services, a New York Stock Exchange (**NYSE**) listed company, from 1998 until its acquisition in March, 2001. Mr. Saltzman serves as a Life Trustee of Northwestern University. Mr. Saltzman s 37 year career in the financial services industry included chief executive officer positions at major life insurers. In that role he also oversaw bank and broker-dealer affiliates as well as full service asset management companies and thus he has experience in the management of large, complex organizations which are also subject to extensive regulation. Thus, Mr. Saltzman s experience correlates very well with the role of a company director. Chair of the CGN&C Committee.	2007

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Nominee	Age	Principal Occupation [1] and Directorships	Director Since
Hardwick Simmons*	71	Director, Lions Gate Entertainment Corp. since 2005. Director of two privately held companies, Stonetex Oil Company and Invivoscribe Technologies, Inc. Former Director of Geneva Acquisition Corp. from 2007 until 2009. Former Chairman and CEO of the NASDAQ Stock Market from 2001 to 2003. President and CEO of Prudential Securities from 1990 to 2001. President, Shearson Lehman Brothers Private Client Group, from 1983 to 1990. Former Chairman of the Securities Industry Association (now, the Securities Industry and Financial Markets Association). Former Director of the National Association of Securities Dealers. Mr. Simmons 37 year career encompassed a number of aspects that are relevant to his role as one of our directors. He was the Chairman and CEO of a public company for two years, the president and CEO of a broker-dealer subsidiary of a major insurance company for eleven years, and president of the private client group of another brokerage firm for seven years. Those positions together with his securities industry trade association service and directorship with a self-regulatory organization provide us with a broad and historical perspective on our business and its regulatory environment. Lead Director and Chair of the Audit Committee.	2003

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Nominee	Age	Principal Occupation [1] and Directorships	Director Since
Susan N. Story*	51	President and CEO of Southern Company Services, Inc. since January 2011. Prior to that, Ms. Story was President and Chief Executive Officer, Gulf Power Company from 2003 to 2010. Executive Vice President, Southern Company Services, Inc., 2001 to 2003. Senior Vice President, Southern Power Company, 2002 to 2003. Past Chair, Florida Chamber of Commerce. Chairman of the Board, Gulf Power Company, 2003 to 2010. Former Chair, Florida Council of 100. Former Vice Chair, Enterprise Florida. Director, Association of Edison Illuminating Companies, James Madison Institute, and Southeastern Electric Exchange. Member, Board of Advisors, H. Lee Moffitt Cancer Center & Research Institute. Ms. Story s seven year tenure as the CEO of an electric public utility has provided her in-depth experience with the following challenges that our Company also faces: dealing with regulators; managing complex organizations; addressing the impact of technological advances on daily operations; dealing with a changing workforce population and mitigating rising employee healthcare costs. With an engineering undergraduate degree, an advanced degree in business administration and coursework in finance, she brings a diversified educational background to the issues our board faces. Member of the CGN&C Committee.	2008

* Determined to be independent directors under NYSE standards; see Information Regarding Board and Committee Structure below.

(1) Unless otherwise noted, the nominee has had the same principal occupation and employment during the last five years.

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INFORMATION REGARDING BOARD AND COMMITTEE STRUCTURE

The Board of Directors held four regular meetings during fiscal 2011.

The current standing committees of the Board of Directors are the CGN&C Committee, the Audit Committee and the Stock Repurchase Committee. The CGN&C Committee met six times during the fiscal year. The Audit Committee met eight times during the fiscal year. The Stock Repurchase Committee did not meet during fiscal 2011 but did act by unanimous written consent. That committee has authority from the Board of Directors to approve certain purchases of our stock from time to time and consists of Thomas A. James, Hardwick Simmons and Robert P. Saltzman. The activities of the CGN&C Committee and the Audit Committee are set out in their reports below.

In connection with our shelf registration statement filed with the SEC in May 2009, the Board of Directors created a special committee to approve the terms of securities offered thereunder in August 2009. That committee met once during fiscal 2011 to approve the terms of senior notes offered in April 2011 under our shelf registration. The members of that committee include Thomas A. James, Paul C. Reilly and Hardwick Simmons with Francis S. Godbold and Chet Helck as alternate members.

The CGN&C Committee is comprised of three independent directors as determined under NYSE rules. This Committee conducts its activities pursuant to a written charter approved by the Board of Directors, which is reviewed annually and was last revised by the Board of Directors in November 2009. This Committee identifies potential nominees to the Board of Directors, including candidates recommended by management, and reviews their qualifications and experience. Candidates for board membership are expected to demonstrate high standards of integrity and character and offer important perspectives on some aspect of our business based on their own business experience.

This Committee has not adopted any specific process or policy for considering nominees put forward by shareholders and has never been requested to consider such a nominee.

This Committee has also determined that the directors identified as independent directors have no material relationship with us that would impair their independence. In that connection, the Committee considered that RJA purchases electricity for several of our sales offices from Gulf Power Company, of which Susan N. Story was President and CEO until January 1, 2011 and William Habermeyer, Jr. is a director of its parent, Southern Company, and determined that the nature of these business relationships did not constitute any impairment of independence.

In addition, RJ Bank had at September 30, 2011 $1,195,500 in outstanding loans to Stonegate Property Holdings, LLC, an affiliate of Gordon L. Johnson. The highest principal balance on the loans during the Company s fiscal 2011 was $1,274,250. The larger of the two loans was made prior to Mr. Johnson s becoming a director of RJ Bank. Both loans were made in the ordinary course of business, on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable loans to persons unrelated to RJ Bank. The loans did not involve more than the normal risk of collectability or present other unfavorable features. The loans bear interest at a rate of LIBOR plus 1.85%, which was 2.12022% as of December 16, 2011. Interest paid on the loans during the Company s fiscal 2011 was $26,142. The Committee determined that the nature of this business relationship did not constitute any impairment of independence for Mr. Johnson.

The Company separated the offices of Chairman of the Board and Chief Executive Officer in May of 2010 when Paul Reilly became Chief Executive Officer. Mr. Reilly succeeded Thomas James as CEO. Mr. James had been CEO since 1970 and is the Company s largest shareholder. In light of his significant experience with, and detailed knowledge of, the Company s business operations, his desire to remain involved with the

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Company and his ongoing financial interest, the Board considered it most appropriate that he retain the office of Chairman of the Board. This leadership structure permits Mr. Reilly to pursue strategic and operational objectives including a focus on core business segments, while the Company continues to benefit from the extensive experience and knowledge of Mr. James. As a result, this structure affords the Company an effective combination of internal and external experience and continuity. The Board of Directors administration of risk oversight has not affected the leadership structure of the Board of Directors.

Mr. Hardwick Simmons is our Lead Director. As such, he presides at the regular executive sessions of the non-employee directors. Shareholders and other interested parties may communicate with our directors, including Mr. Simmons, or any of the individual independent directors, by writing to them at our headquarters, or by contact through our website. Communications addressed to the Board of Directors will be reviewed by our Corporate Secretary and directed to them for their consideration, if appropriate.

It is our policy that directors attend the Annual Meeting of Shareholders; at the Annual Meeting of Shareholders on February 24, 2011, all of our directors at that date were present except Shelley Broader. Ms. Broader was excused for her absence because she had a commitment on that date associated with her new position of Chief Merchandising Officer at Walmart Canada Corp. All directors attended at least 75% of the meetings of the Board of Directors and the committees on which they served during the periods for which they served.

DIRECTOR COMPENSATION

In fiscal 2011, outside directors received a $50,000 annual retainer, a $7,500 attendance fee for each regular meeting, $500 for each telephonic meeting and a $1,000 attendance fee for Committee service in fiscal 2011. The Lead Director received an additional $20,000, the Audit Committee Chair received an additional $15,000 and the Chair of the CGN&C Committee received an additional $10,000 as part of their respective annual retainer in fiscal 2011, except if any two of these positions were held by the same director, then the greater fee and 50% of the lower fee, rather than both fees, were paid to that director. Management directors do not receive any additional compensation for service as directors.

There is a non-qualified stock option plan for our outside directors covering 854,298 shares of our common stock. These options, 62,500 of which were outstanding at September 30, 2011, are exercisable at prices ranging from $15.91 to $31.82 at various times through February 2015. Outside directors were each granted 2,500 options in fiscal 2010 under that plan. In fiscal 2011, each outside director was granted 2,000 restricted stock units under the Company s 2005 Restricted Stock Plan in lieu of stock options. These restricted stock units vest 60% on the third anniversary of the grant, 20% on the fourth anniversary of the grant and 20% on the fifth anniversary of the grant.

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The table below sets forth the total compensation, and the components thereof, of our directors who are not our Named Executive Officers.

DIRECTOR COMPENSATION FOR FISCAL YEAR ENDED SEPTEMBER 30, 2011

Name	Fees Paid in Cash	Stock Awards [1]	All Other Compensation	Total
Shelley G. Broader [2]	$ 84,500	$ 75,680		$ 160,180
Francis S. Godbold [3]				
H. William Habermeyer, Jr. [4]	$ 86,000	$ 75,680		$ 161,680
Gordon L. Johnson [5]	$ 113,000 [10]	$ 75,680		$ 188,680
Robert P. Saltzman [6]	$ 95,000	$ 75,680		$ 170,680
Kenneth A. Shields [7]	$ 20,000			$ 20,000
Hardwick Simmons [8]	$ 113,000	$ 75,680		$ 188,680
Susan N. Story [9]	$ 85,000	$ 75,680		$ 160,680

(1) The amounts shown in this column represent the aggregate grant date fair value of restricted stock units (**RSUs**) granted to our directors who are not Named Executive Officers in fiscal 2011. The grant date fair value per share of the RSUs granted to each of the directors in fiscal 2011 under Accounting Standards Codification (ASC) Topic 718 (**ASC Topic 718**) was $37.84.

(2) As of September 30, 2011, Ms. Broader held (a) outstanding options to purchase 7,500 shares of our common stock and (b) 2,000 RSUs.

(3) Mr. Godbold is an officer, other than a Named Executive Officer, who does not receive any additional compensation for services provided as a director.

(4) As of September 30, 2011, Mr. Habermeyer held (a) outstanding options to purchase 10,000 shares of our common stock and (b) 2,000 RSUs.

(5) As of September 30, 2011, Mr. Johnson held 2,000 RSUs.

(6) As of September 30, 2011, Mr. Saltzman held (a) outstanding options to purchase 7,500 shares of our common stock and (b) 2,000 RSUs.

(7) Mr. Shields term as a director ended February 24, 2011.

(8) As of September 30, 2011, Mr. Simmons held (a) outstanding options to purchase 10,000 shares of our common stock and (b) 2,000 RSUs.

(9) As of September 30, 2011, Ms. Story held (a) outstanding options to purchase 7,500 shares of our common stock and (b) 2,000 RSUs.

(10) The fees paid in cash to Mr. Johnson include $28,000 fees paid to him by RJ Bank as a director of RJ Bank.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Paul D. Allison, an executive officer, filed a late Form 4 with respect to a stock bonus award of 5,039 restricted stock units on December 10, 2010 due to a Company internal communications failure. Gordon L. Johnson, a director, reported two stock purchases in the aggregate amount of 950 shares of RJF common stock on his Form 5 that were not previously reported on a required Form 4.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee of the Board of Directors consists of Hardwick Simmons (Chair), H. William Habermeyer and Shelley G. Broader. This Committee conducts its activities pursuant to a written charter approved by the Board of Directors, which is reviewed annually and was last revised by the Audit Committee of the Board of Directors on November 21, 2011. The Audit Committee serves as the principal agent of the Board of Directors in fulfilling the Board s oversight responsibilities with respect to our financial reporting, the qualifications and independence of the independent registered public accounting firm, our systems of internal controls, risk management and our procedures for establishing compliance with legal and regulatory requirements.

The Charter of the Audit Committee provides that the Audit Committee is responsible for the appointment, compensation and oversight of the work of the independent registered public accounting firm and must approve in advance any work to be performed by the independent registered public accounting firm. The Audit Committee has not established any general pre-approval procedures, but instead reviews each proposed engagement to determine whether the provision of services is compatible with maintaining the independence of the independent registered public accounting firm.

In addition to four regularly scheduled meetings during the course of the fiscal year, members of the Audit Committee held four telephonic meetings, generally to review with management and representatives of KPMG LLP our quarterly financial results prior to their release to the public.

We have an Enterprise Risk Management program under the direction of our Chief Risk Officer (**CRO**). Our CRO provides a report to the Audit Committee at each of its regular quarterly meetings. That report identifies and evaluates our top residual risks, including an assessment of their potential impact on the Company and the likelihood of adverse occurrences. The report notes changes since the last report as well as trends. The Chairman of the Audit Committee discusses the significant aspects of the CRO s report with the full Board at its regular meetings.

Members of the Audit Committee have reviewed and discussed with management and with representatives of KPMG LLP the integrated audit of the consolidated financial statements and internal control over financial reporting for fiscal 2011. The consolidated financial statements for fiscal 2011 are contained in our annual report on Form 10-K. In addition, the Audit Committee reviewed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended (AICPA, Professional Standards Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board (**PCAOB**). The Audit Committee also received the written disclosures and the letter from KPMG LLP required by the applicable requirements of the PCAOB regarding independent auditor communications with the Audit

Committee concerning independence, and discussed with KPMG LLP their independence from us and our management, and considered their independence in connection with any non-audit services provided. The Audit Committee also reviewed with KPMG LLP the critical accounting policies and practices followed by us and certain written communications between KPMG LLP and our management.

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Based on the reviews and discussions referred to above, and in reliance on the representations of management and the independent registered public accounting firm s report with respect to the financial statements, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our annual report on Form 10-K for fiscal 2011 for filing with the SEC. The Board of Directors approved the recommendation.

Management is responsible for our financial statements and the financial reporting process, including our system of internal controls. Our independent registered public accounting firm is responsible for the integrated audit of the consolidated financial statements and internal control over financial reporting in accordance with the standards of the PCAOB. The firm issues reports on our consolidated financial statements and the effectiveness of internal control over financial reporting.

The Audit Committee members are not professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the independent registered public accounting firm. The Audit Committee serves a board-level oversight role, in which it provides advice, counsel and direction to management and the independent registered public accounting firm on the basis of the information it receives, discussions with management and the independent registered public accounting firm, and the experience of the Audit Committee s members in business, financial and accounting matters. In its oversight role, the Audit Committee relies on the work and assurances of our management, which has the primary responsibility for financial statements and reports, and of the independent registered public accounting firm, who, in their report, express an opinion on the conformity of our annual financial statements with U.S. generally accepted accounting principles.

The Board of Directors has determined that each of the members of the Audit Committee qualifies as an Audit Committee Financial Expert and as independent as determined under NYSE rules.

Hardwick Simmons, Chair
H. William Habermeyer, Jr.
Shelley G. Broader

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COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

Summary of Compensation Decisions for Fiscal 2011

Chief Executive Officer Compensation

Mr. Reilly s salary was increased 3.15% to $425,000 for calendar year 2011. He was awarded an annual bonus of $3,500,000 for fiscal year 2011, $2,700,025 of which was paid in cash and the balance in restricted stock units.

Other Named Executive Officer Salaries

The CGN&C Committee approved raises for calendar year 2011 which were approximately 3.1%, except for Mr. Julien, who received a 16% raise to bring him closer to market value.

Other Named Executive Officer Annual Bonuses

The other Named Executive Officers, except for Mr. James, were awarded annual bonuses of 89 90% of the amounts generated by their bonus formulas. The CGN&C accepted Mr. James recommendation that he be awarded a bonus of 62% of his bonus formula result.

New Incentive Compensation Program, including long term performance incentives

We have revised our senior executive compensation architecture for fiscal year 2012. The principal changes are two. First, annual bonuses for members of the new Executive Committee will be funded by a pool of up to 6% of our consolidated pre-tax income, rather than a percentage of business unit results. Second, half of the restricted stock units awarded as a portion of the fiscal 2012 annual bonuses will be subject to performance-based vesting (*i.e.*, they would be settled for a number of shares ranging from zero to 150% of the face amount of the grant based upon our after-tax average return on equity for the next three fiscal years), rather than vesting solely based on time as is currently the case. This adds a long-term performance component to their compensation that the CGN&C Committee found to be an improvement. Effective January 2012, the senior executive group known as the Operating Committee has been reduced in size and renamed the Executive Committee.

Link between 2011 Company Performance and Named Executive Officer Direct Compensation

Fiscal 2011 Financial Highlights

Raymond James achieved record financial results in fiscal year 2011.The following table summarizes key financial results for fiscal 2011 as compared to fiscal 2010 (in millions, except per share amounts):

	Fiscal 2011	Fiscal 2010	Increase
Total Revenues	$ 3,399.9	$ 2,979.5	14 %
Net Revenues	$ 3,334.1	$ 2,916.7	14 %
Net Income	$ 278.4	$ 228.3	22 %

Earnings per Share (Diluted)	$ 2.19	$ 1.83	20 %
Assets under Administration	$ 256,000	$ 249,000	3 %
Total Assets under Management	$ 35,648	$ 33,551	6 %

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We achieved record net revenues and record net income in fiscal 2011, despite a $41 million loss on the purchase from clients of auction rate securities and the adverse effect of a low interest rate environment on our net interest income.

Named Executive Officer Direct Compensation

Officer	Fiscal 2011 Annual Direct Compensation	Fiscal 2010 Annual Direct Compensation	Increase (Decrease)
Paul C. Reilly Chief Executive Officer RJF	$ 3,921,750	$ 3,009,000	30 %
Thomas A. James Executive Chairman RJF	$ 2,342,504	$ 2,732,647	(14%)
Chet Helck Chief Operating Officer RJF	$ 2,717,500	$ 2,308,000	18 %
Dennis W. Zank President RJA	$ 2,683,750	$ 2,271,878	18 %
Jeffrey P. Julien Chief Financial Officer RJF	$ 1,467,250	$ 1,192,500	23 %

For purposes of this table, direct compensation is composed of salary and annual bonus (cash and equity components).

Mr. Reilly s and Mr. James fiscal 2011 compensation reflects their first full year as Chief Executive Officer and Executive Chairman, respectively. Mr. Reilly and Mr. James each served as Chief Executive Officer for six months in fiscal 2010. Excluding Mr. Reilly and Mr. James, the Named Executive Officers increase in direct compensation averaged 19%.

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Link between Five Year Total Shareholder Return and Chief Executive Officer Total Compensation

Over the past five years our Chief Executive Officers (*i.e.*, Messrs. James and Reilly) annual bonuses have comprised a substantial portion of their compensation. The basis of the size of that bonus has been a percentage of the Company s pre-tax income. While our financial performance does not correlate perfectly with the market price of our common stock, we believe that the following graph demonstrates that Chief Executive Officer total compensation has correlated well to total shareholder return over the time period. The graph shows the total shareholder return on $100 invested in the Company s stock on September 30, 2006. Total Chief Executive Officer Compensation includes both cash and equity bonus components **for** the fiscal year shown; unlike the Summary Compensation Table which reflects the equity portion of the annual bonus in the fiscal year **in which** it was issued rather than the fiscal year **for which** it was issued.

Say on Pay Vote

Notwithstanding the 97% favorable vote on our executive compensation at the February 2011 annual meeting of shareholders, the CGN&C Committee believed that our senior executive compensation architecture could be improved by the changes that were under consideration. See Engagement of Compensation Consultant; New Senior Executive Compensation Architecture; Compensation Comparators below.

Compensation and Risk

We believe that our compensation policies in general, and our incentive programs in particular, are well aligned with the interests of our shareholders and do not create risks that are reasonably likely to result in a material adverse impact on the Company. We reached this conclusion as a result of an analysis in 2010 of our incentive compensation programs by an interdisciplinary team (risk management, accounting/payroll, legal, internal audit and human resources) led by our Chief Risk Officer. The team conducted an initial evaluation of our compensation programs and policies across five elements performance measures, funding, performance period and pay mix, goal setting and leverage and controls and processes, focusing on significant risk areas. The team found that formula based funding of bonus pools are utilized consistently across the firm. Those formulas vary; some are based on gross revenue with the majority being on a net basis and aligned with the employee s span of control and level of potential contribution. The team also determined that most bonus pools are not distributed purely on a formula basis, but rather are also based on subjective factors including longer term performance and consideration of the risks involved. The team also noted that equity has been a component of bonus payouts for many years and involved vesting over time, typically three years. The team reported its findings to the CGN&C Committee in May 2010, including that there were no formal claw-back provisions in our bonus arrangements and that although the percentage of cash incentive compensation appeared high relative to other financial firms, (in particular, financial institutions who received government assistance under the TARP program), our lower levels of total compensation offset that concern to some extent. As a result, the CGN&C Committee requested management to develop recommendations as to those two matters. In response, management proposed and the Board adopted in August 2010, upon the recommendation of the CGN&C Committee:

A Compensation Recoupment Policy, effective October 1, 2010; and
Additional tiers to the stock bonus plan allocation formula which increased the equity component of annual bonuses above $2 million and $3 million, respectively, effective for awards in 2011.

Engagement of Compensation Consultant; New Senior Executive Compensation Architecture; Compensation Comparators

In August 2010, the CGN&C Committee also concluded that management should engage an outside consultant to conduct a comprehensive analysis of senior executive compensation. The Company engaged Pay Governance LLC to begin such a review. In February 2011, Pay Governance presented a preliminary analysis of such compensation, primarily with respect to how such executives are paid vis-à-vis other firms. Pay Governance reported that the Company was unique compared to other financial services firms in that most of our executives incentive compensation was premised upon the results of their areas of responsibility rather than on the results of the firm as a whole. The CGN&C Committee decided to engage Pay Governance to be its compensation consultant going forward and to develop a revised senior executive compensation architecture. Although Pay Governance had been initially engaged by management to perform the preliminary analysis for which it was paid $130,000, the CGN&C Committee did not view engaging Pay Governance to be the Committee s consultant going forward to be a conflict of interest given the relatively small portion of Pay Governance s revenues that the preliminary management engagement represented and the fact that Pay Governance had not previously performed any work for the Company. The initial work for management did not entail compiling recommendations of pay structure or levels, but merely was a comparison of pay methodologies and levels across a wide spectrum of competitor companies based upon public information and industry studies and did not entail a recommendation of a new or different compensation structure for the company.

In August 2011, the CGN&C received a report from Pay Governance proposing a new pay architecture for senior executive compensation that would address matters that had come to light over the prior year. One was that most of such executives incentive compensation was premised upon the results of their areas of responsibility rather than on the results of the firm as a whole. Second, the percentage of total compensation that was composed of equity was small compared to other financial service firms. Third, only a small portion of total incentive compensation was based on the long term performance of the Company. Fourth, there was a small pay gap compared to other firms. The CGN&C Committee approved the proposal which would be implemented with fiscal year 2012. The key points of the proposal were that individual annual bonus formulas would be replaced by bonus opportunity targets, with the aggregate bonuses being funded by a percentage of

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pre-tax income. The portion of the annual bonus paid in restricted stock units would not change, but half of the units would time vest over three years while the other half would performance vest, *i.e.*, they would be settled for a number of shares ranging from zero to 150% of the face amount of the grant based upon our after-tax average return on equity for the next three fiscal years. In addition, stock options over time will play a larger role in the total compensation of senior executives. They will be granted annually, with grant sizes varying based upon individual and business unit performance and upon market data. These changes are expected to increase senior executive (*i.e.*, Executive Committee members) compensation expense over time as we attempt to close the pay gap Pay Governance found based upon then current comparisons to other financial services firms.

During fiscal 2011 the CGN&C Committee relied on compensation data compiled by Pay Governance from a group of financial services companies (the **Peer Group**) in evaluating the proposed new senior executive compensation architecture. We believe the Peer Group represents most of the segments of the financial services industry in which we currently compete for executive talent. For 2011, the Peer Group holding company compensation comparators consisted of the following companies:

Ameriprise Financial Inc.	RBC Dain Rauscher
Charles Schwab Corp.	Robert W Baird & Co.
E*TRADE Financial Corporation	TD Ameritrade Holding Corporation
Jefferies Group Inc.	FBR Capital Markets Corporation
The Jones Financial Companies, L.L.L.P.	Fifth Third Bancorp
KBW Inc.	Oppenheimer Holdings Inc.
Lazard Ltd.	Regions Financial Corp.
LPL Investment Holdings Inc.	Stifel Financial Corp.
Piper Jaffray Companies	Sun Trust Banks, Inc.

Historical Overview and Philosophy

The CGN&C Committee of our Board of Directors reviews corporate compensation and benefit plan policies, as well as the structure and amount of all compensation for all members of our Operating Committee, which includes all but three of our executive officers and all of our Named Executive Officers. The CGN&C Committee consists of Robert P. Saltzman (Chair), Gordon L. Johnson and Susan N. Story. Our Board of Directors normally approves all grants of options and restricted stock, based upon the recommendations of the CGN&C Committee. Our Chief Executive Officer makes recommendations to the CGN&C Committee concerning the compensation of Operating Committee members. In August 2010, the Executive Chairman made recommendations to the CGN&C Committee concerning the compensation of non-employee directors. Prior to 2010, we had not engaged compensation consultants in connection with executive or director compensation. Prior to 2011, the CGN&C Committee had used comparative compensation surveys from McLagan and information from public company disclosures.

The CGN&C Committee s goal is to establish and maintain compensation policies that will enable us to attract, motivate and retain high-quality executives and to ensure that their individual interests are aligned with our long-term interests and those of our shareholders. In doing so, individual performance, the compensation of executives of similar firms and our financial results are considered. Prior to the engagement of Pay Governance, the CGN&C Committee was provided executive compensation disclosures from the proxy statements of several publicly traded securities firms as well as the surveys described above for comparative information to use in its decision making process. Prior to 2011, we did not formally benchmark the compensation of our executive officers against those companies.

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Our objectives have been met through a compensation package which included four major components base salary, annual bonus (including restricted stock in the past and restricted stock units beginning with grants made in November 2010), biennial stock option awards and retirement plan contributions.

Base Salary and Annual Bonus

For our executive officers, the cash and restricted stock/restricted stock units compensation components (base salary and annual bonus) are heavily weighted toward annual bonus. Salaries are reviewed and adjusted in December of each year effective January 1, consistent with other employees.

The CGN&C Committee discussed and took into account the recommendations of our Chief Executive Officer, Mr. Reilly, who consulted with Mr. James, his predecessor as Chief Executive Officer and who remains our largest shareholder, with respect to the base salaries of the Named Executive Officers for calendar year 2011, other than himself. The Company has historically recommended base salary increases by an amount that approximates a percentage range that is also applicable to our overall employee population, except for situations involving promotions and/or expanded responsibility. Mr. Reilly, with one exception, adhered to that practice for calendar year 2011. Our Chief Executive Officers have typically had the benefit of industry based compensation surveys when making their recommendations.

The bonus formulas for the Named Executive Officers for fiscal 2011 were previously published in our 2011 proxy statement and are republished on page 26 of this proxy statement. All of those formulas are based upon contributions to our pre-tax profits, or those of a subsidiary or department. The emphasis on profit-based compensation serves two functions: it encourages executives to be conscious of the bottom line and it aligns our total compensation structure with profitability, which is advantageous to the firm given the cyclical nature of the securities industry.

A number of formulas for determining bonus amounts have been based upon pre-tax income, a line item in the Company s income statement. Prior to fiscal year 2010, that line item was net of minority interests (now referred to as noncontrolling interests) in earnings of subsidiaries. As a result of a recent Financial Accounting Standards Board guidance, our income statement was reconfigured in 2010 such that noncontrolling interests are subtracted further down the income statement, resulting in a line entitled Net Income Attributable to Raymond James Financial, Inc. . This reconfiguration means that calculations for those bonus amounts that are based upon pre-tax income must begin by adjusting the income statement line item entitled Income Including Noncontrolling Interests and Before Provision for Income Taxes to eliminate noncontrolling interests, rather than just starting with a line item that is in the income statement. The CGN&C Committee agreed with this adjustment.

Since fiscal 2006, the CGN&C Committee has determined to give some emphasis to our overall performance in determining bonus payments for some executive officers. Accordingly, the CGN&C Committee established a bonus pool equal to .75% of our total pre-tax profit (the **Company Performance Bonus Pool**). For fiscal 2011, the Company Performance Bonus Pool was allocated equally among the Operating Committee members participating in that pool, *i.e.*, Messrs. Helck, Averitt, Riess, Sayler, Trocin and Zank, consistent with the policy adopted by the CGN&C Committee for fiscal 2007 and beyond that was disclosed in our 2007 proxy statement. Since fiscal 2008, up to 50% of the amount generated by each bonus formula could be withheld based on the subjective performance evaluation by the Chief Executive Officer and the CGN&C Committee.

In early November 2011, the CGN&C Committee reviewed the results generated by bonus formulas for fiscal 2011. In early December 2011, Mr. Reilly consulted with Mr. James and made recommendations to the CGN&C Committee for the annual bonuses to be awarded to each Named Executive Officer other than himself

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and Mr. James, based on an assessment of their performance against individual goals that had been set. The CGN&C Committee approved those recommendations.

Up to 50% of the Named Executive Officer s annual bonus pool (*i.e.*, the amount generated by the officer s bonus formula) is awarded to Named Executive Officers other than Mr. Reilly and Mr. James, based upon the Chief Executive Officer s and the CGN&C Committee s subjective evaluation of achievement of performance objectives set by him for the other Named Executive Officers. In the case of Mr. Helck, those objectives included exceeding budgets for the Private Client Group, reinvigorating the recruiting process, developing a bonus technology prioritization action plan and developing succession planning for the Private Client Group units. Mr. Helck s bonus for fiscal 2011 was $2,400,000. In the case of Mr. Julien, objectives included maintaining adequate capital and liquidity, insuring high quality financial reporting, maintaining senior relationships with our lenders, resolving our auction rate securities regulatory investigations and funding that resolution and the recruitment of a new president for Raymond James Trust, NA and our Corporate Development Officer. Mr. Julien s fiscal 2011 bonus was $1,250,000. In the case of Mr. Zank, those objectives included increasing Private Client Group margins, maintaining strong expense control, targeted branch expansion, recruiting, and increasing financial advisor productivity. Mr. Zank s bonus for fiscal 2011 was $2,400,000. The bonus awards for Messrs. Helck, Julien and Zank ranged from 89-90% of their 2011 bonus pools.

In determining Mr. James annual bonus, the CGN&C Committee took into account fiscal year 2011 results which included record net revenues and record net profits in a year in which the market was uncertain. The Committee noted the completion of the transition of CEO duties, including changes in reporting relationships and functional responsibilities as well as ongoing recruiting results and credit risk management. The CGN&C Committee also took into account and rewarded Mr. James for his continuing day-to-day involvement in overseeing international operations, proprietary capital and Raymond James Tax Credit Funds as well as continuing to chair the Compliance and Standards Committee of RJF. The CGN&C Committee appreciated that this continued involvement on the part of Mr. James enabled Mr. Reilly to focus on the Company s core business segments. Although the CGN&C Committee would have been willing to award a greater bonus in light of those accomplishments, it acceded to Mr. James s recommendation that he be awarded a bonus of $2,000,000, 62% of his bonus pool.

The CGN&C Committee has also approved the compensation targets for fiscal 2012 for the new Executive Committee officers to implement the new compensation architecture for senior executive officers.

Prior to 2010, we issued shares of restricted stock under our stock bonus plan to employees of our United States operations in lieu of cash for up to 20% of bonus amounts in excess of $250,000. For fiscal year 2010 bonuses, we issued restricted stock units on a comparable basis. We changed to restricted stock units to obtain a more favorable tax treatment for retirement eligible employees. This change was generally neutral from our perspective. For fiscal year 2011 bonuses, we issued restricted stock units under our stock bonus plan to designated employees of our United States and Canadian operations in lieu of cash for a portion of their bonuses. In August 2010, the CGN&C Committee added two additional tiers to the stock bonus plan allocation formula which increased the equity component of annual bonuses above $2 million and $3 million to 25% and 50%, respectively, effective fiscal year 2011. The number of restricted stock units issued to members of our Operating Committee was determined based upon the market value at the date of grant and the number of restricted stock units issued to other employees was determined using 90% of the market value at the date of grant. The restricted stock units vest after three years. Thus, a portion of annual bonus awards have a retention element.

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Stock Options

The third component of the compensation package, incentive and non-qualified stock option awards, is designed, along with the restricted stock units, to provide a direct link between the long-term interests of executives and shareholders. Options have been granted every two years to key management employees. From time to time, stock options may be granted when a special situation exists, as inducements when employees are hired, or if job performance or a change in job responsibilities warrants. It is our policy to maintain the number of outstanding options at less than ten percent of our outstanding shares. As members of our Operating Committee, in fiscal year 2010, all of the Named Executive Officers except Mr. James were granted an equal number of options. During the past five years, the number of shares subject to outstanding options has represented between 4.1% and 5.5% of our outstanding shares. We first determine how many options to grant to department heads and other key employees in total. The number of options that could be granted without all outstanding options exceeding 7% of outstanding shares is then calculated. The number of options granted to those employees in November 2009, in the aggregate was based on that limiting calculation. That total number was allocated among all grantees based upon responsibility and compensation levels. The Operating Committee grantees have been awarded the highest number of options among all grantees. The award of options has been intended to be a retention and shareholder alignment device rather than a major component of compensation. There has been no direct relationship between the number of options granted and the amount of annual bonuses.

No Backdating or Spring Loading. We do not backdate options or grant options retroactively. In addition, we do not coordinate grants of options so that they are made before announcement of favorable information, or after announcement of unfavorable information. Options for our stock are granted at fair market value on a fixed date or event, with all required approvals obtained in advance of or on the actual grant date. Our general practice is to have grants of options reviewed and recommended by the CGN&C Committee and approved by the Board of Directors.

Retirement Plans

The fourth component of the compensation package is our contributions to various retirement plans, which are based on compensation levels and years of service. We maintain three qualified retirement plans: a profit sharing plan, an employee stock ownership plan and a 401(k) plan. Contributions to the profit sharing and employee stock ownership plans, if any, are dependent upon our overall profits. Since inception of the 401(k) plan in 1987, we have matched a portion of the first $1,000 contributed annually by employees to their 401(k) accounts. The plan currently provides for us to match 100% of the first $500 and 50% of the next $500 of compensation deferred by each participant annually. These three plans are offered to employees who meet the length of service and minimum hours worked requirements specified in the plans. We also maintain a non-qualified long term incentive plan for highly compensated employees, including executive officers. Eligibility is restricted to those who meet certain compensation levels set by the CGN&C Committee. The vesting schedule of this plan is designed to encourage long-term employment with the firm. Contributions to this plan are also dependent upon our earnings.

In addition, we have an employee stock purchase plan which allows employees to purchase shares of our common stock on four specified dates throughout the year at a 15% discount from the market value, subject to certain limitations, including a one-year holding period.

The Named Executive Officers participate in these plans on the same basis as other employees.

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Compensation of the Chief Executive Officer

Mr. Reilly s base salary rate for calendar year 2011 was $425,000, a 3.15% increase over calendar year 2010, consistent with treatment accorded other employees for the reasons set forth above under Base Salary and Annual Bonus .

In determining Mr. Reilly s annual bonus, the CGN&C committee took into account fiscal year 2011 results which included record net revenues and net profits. The CGN&C Committee also took into account his successful transition into the CEO role, the resolution of the auction rate securities matters, the recruitment of a new Chief Technology Officer, succession planning for the Private Client Group and the refinement and implementation of the Company s strategy. Mr. Reilly was awarded $3,500,000, 95% of his bonus pool.

Stock Ownership Guidelines

We grant stock-based compensation in order to align the interests of our employees with those of our shareholders. With the exception of accelerated vesting for death or disability, company-issued options, restricted stock and restricted stock units are not transferable. Members of our Operating Committee were expected to acquire and hold at least 10,000 shares of our stock (including restricted stock and restricted stock units) within two years of becoming an Operating Committee member. They were also expected to retain for three years 25% of the shares of common stock acquired through the exercise of options or vesting of restricted stock or restricted stock units. The Named Executive Officers have met these guidelines.

Derivatives Trading. Our policy permits executive officers to implement only the following strategies with listed options on our stock: sales of covered calls against our stock held free and clear in street name and put writing. They are not permitted to purchase puts on our stock.

Benefits

The Named Executive Officers participate on the same basis as other employees in health and welfare, and paid time-off benefits designed to enable us to attract and retain our workforce in a competitive marketplace. Health and welfare and paid time-off benefits help ensure that we have a productive and focused workforce through reliable and competitive health and other benefits.

Perquisites

We provide minimal perquisites to our directors and Named Executive Officers: spousal/companion travel expenses in conjunction with the long range planning Board meeting, sales reward trips and sales and analyst conferences and suite tickets at Raymond James Stadium for Tampa Bay Buccaneer football games.

Separation and Change in Control Arrangements

None of the Named Executive Officers is a party to a separation or change in control agreement with us. However, the award agreements associated with the restricted stock units issued since November 2010 contain a double trigger change in control provision that accelerates the vesting of the award if within 12 months after the Corporate Transaction the employee involuntarily incurs a Separation from Service for other than Cause or voluntarily incurs a

Separation from Service for Good Reason all as defined in the agreement. Had both triggers occurred on September 30, 2011, restricted stock units held by the Named Executive Officers on that date would have immediately vested and would have had the following values based upon the closing price of Company stock on that date: Mr. Reilly, $341,686; Mr. James, $309,132; Mr. Helck, $244,050; Mr. Zank, $244,050; and, Mr. Julien, $81,333.

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None of the salaries of the Named Executive Officers exceed $1 million. We believe that the annual bonuses and stock options awarded to the Named Executive Officers constituted performance-based compensation and are deductible for U.S. federal income tax purposes. Approval by shareholders of the 2012 Stock Incentive Plan will be required in order for cash and equity bonus awards as well as stock options granted pursuant to the new senior compensation architecture to be able to constitute performance-based compensation. Awards that qualify as performance-based compensation are generally fully deductible for federal income tax purposes. See Proposal 3 on page 40 of this proxy statement.

Return of Executive Compensation by an Executive

Our Board adopted a Compensation Recoupment Policy effective October 1, 2010 under which reimbursement (i) shall be obtained from executive officers in the case of a financial restatement and the restated results would not support previously received incentive compensation and (ii) may be obtained from any employee in the case of materially inaccurate performance metric(s) and the revised performance metric would not support previously received incentive compensation.

Fiscal 2011 Bonus Formulas for Named Executive Officers (as Approved by the CGN&C Committee)

Executive Officer	Basis
Paul C. Reilly Chief Executive Officer RJF	0.8% of total Company pre-tax profits.
Thomas A. James Executive Chairman RJF	0.7% of total Company pre-tax profits.
Chet Helck Chief Operating Officer RJF	0.8% of total pre-tax profits of domestic PCG per PCG Contribution Report*, RJ Ltd. and Raymond James Investment Services; plus, participation in the Company Performance Bonus Pool.
Dennis W. Zank President RJA	2.6% of the pre-tax profits of RJA per PCG Contribution Report*; plus, participation in the Company Performance Bonus Pool.
Jeffrey P. Julien Executive Vice President, Finance and Chief Financial Officer RJF; Chairman, Raymond James Bank, FSB	0.3% of total Company pre-tax profits.

*

The PCG Contribution Report adjusts the Private Client Group financial statement pre-tax profits for items related to the private client group sales force, primarily a credit for interest income on cash balances arising from private clients, and also includes adjustments to actual clearing costs, mutual fund revenues and expenses, credit for correspondent clearing, insurance agency and certain asset management profits, accruals for benefit expenses, profits generated by certain private client support operations and other adjustments. These adjustments may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary, unusual or nonrecurring gains and losses, the cumulative effect of accounting changes, acquisitions or divestitures, and foreign exchange impacts.

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Compensation actions The following Annual Direct Compensation table shows annual salary in fiscal 2011 and annual incentive compensation awarded in fiscal 2012 for fiscal 2011 performance. The Annual Direct Compensation table reflects the CGN&C Committee s view of its annual compensation determinations related to the Named Executive Officers for fiscal 2011. The Summary Compensation Table required by the SEC is on page 29 of this proxy statement.

Annual Direct Compensation

Name and Principal Position	Year	Annual Compensation			
			Incentive Compensation		
		Salary	Cash	Stock Awards (1)	Total
Paul C. Reilly (2)	2011	$ 421,750	$ 2,700,025	$ 799,975	$ 3,921,750
Chief Executive Officer RJF	2010	$ 409,000	$ 2,180,001	$ 419,999	$ 3,009,000
Thomas A. James (2)	2011	$ 342,504	$ 1,700,024	$ 299,976	$ 2,342,504
Executive Chairman RJF	2010	$ 332,647	$ 2,020,016	$ 379,984	$ 2,732,647
	2009	$ 325,542	$ 1,640,012	$ 284,988	$ 2,250,542
Chet Helck	2011	$ 317,500	$ 2,000,012	$ 399,988	$ 2,717,500
Chief Operating Officer RJF	2010	$ 308,000	$ 1,700,014	$ 299,986	$ 2,308,000
	2009	$ 302,000	$ 900,000	$ 100,000	$ 1,302,000
Dennis W. Zank	2011	$ 283,750	$ 2,000,012	$ 399,988	$ 2,683,750
President RJA	2010	$ 271,878	$ 1,700,014	$ 299,986	$ 2,271,878
Jeffrey P. Julien	2011	$ 217,250	$ 1,100,012	$ 149,988	$ 1,467,250
Executive VP, Finance	2010	$ 192,500	$ 900,026	$ 99,974	$ 1,192,500
Chief Financial Officer RJF	2009	$ 188,000	$ 653,520	$ 56,480	$ 898,000

(1) The stock awards (restricted stock units (**RSUs**) for fiscal year 2011 and 2010; shares of restricted stock for years prior) vest in one installment approximately three years from grant date. The stock awards are based on tiered percentages of annual bonus amounts in excess of $250,000 in accordance with the formula adopted by the CGN&C Committee under the stock bonus plan. Each RSU represents the right to receive one share of common stock on the vesting date and non-preferential dividend equivalents, payable in stock, equal to any dividends paid during the vesting period. RSUs have no voting rights.

(2) Effective May 1, 2010, Mr. Reilly succeeded Mr. James as Chief Executive Officer.

The above table is presented to show how the CGN&C Committee viewed compensation actions, but it differs substantially from the Summary Compensation Table required by the SEC and is not a substitute for the information required by the Summary Compensation Table on page 29 of this proxy statement.

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The Summary Compensation Table shows compensation information in a format required by the SEC. There are three principal differences between the Summary Compensation Table and the above Annual Direct Compensation table:

The Company grants both cash and equity incentive compensation after the earnings for a fiscal year have been announced. In both the Annual Direct Compensation table above and the Summary Compensation Table, cash incentive compensation paid in fiscal 2012 for fiscal 2011 performance is shown as fiscal 2011 compensation. The Annual Direct Compensation table above treats equity awards similarly, so that equity awards granted in fiscal 2012 for fiscal 2011 performance are shown as fiscal 2011 compensation. The Summary Compensation Table does not follow this treatment and instead reports the value of equity grants in the year in which they are granted. As a result, equity awards granted in fiscal 2012 for fiscal 2011 performance are not shown in the Summary Compensation Table for fiscal 2011. Instead, the Summary Compensation Table includes for fiscal 2011 the value of equity awards granted in fiscal 2011 for fiscal 2010 performance.

The Summary Compensation Table includes biannual stock option grants; the Annual Direct Compensation table does not.

The Summary Compensation Table reports all other compensation. The Annual Direct Compensation table does not. Those amounts are not shown above because they are (1) not realized currently by the Named Executive Officer (*i.e.*, Employee Stock Ownership Plan Contribution; Profit Sharing Plan Contribution; 401(k) Company Match; and, Deferred Compensation Plan Contribution), (2) not within the purview of the CGN&C Committee (*i.e.*, Dividends on Unvested Stock and Commissions), or (3) relatively *de minimis* in terms of annual compensation (*i.e.*, perquisites).

CGN&C Committee Report

The CGN&C Committee of the Board of Directors, comprised of independent directors, reviewed and discussed the above Compensation Discussion and Analysis (**CD&A**) with our management. Based on the review and discussions, the CGN&C Committee recommended to our Board of Directors that the CD&A be included in this proxy statement.

Corporate Governance, Nominating and Compensation Committee
Robert P. Saltzman, Chair
Gordon L. Johnson
Susan N. Story

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SUMMARY COMPENSATION TABLE

The following table summarizes compensation for the fiscal years indicated, respectively, for our Chief Executive Officer, Chief Financial Officer, and the three other most highly compensated executive officers, including our Executive Chairman who was Chief Executive Officer until April 30, 2010 (the **Named Executive Officers**).

Name	Year	Salary	Bonus (1)	Stock Awards (2)	Option Awards (2)	All Other Compensation (3)	Total
Paul C. Reilly (4)	2011	$421,750	$2,700,025	$419,999		$169,402	$3,711,176
Chief Executive Officer RJF	2010	$409,000	$2,180,001	$43,730	$271,551	$156,996	$3,061,278
Thomas A. James (4) Executive Chairman RJF	2011	$342,504	$1,700,024	$379,984		$90,802	$2,513,314
	2010	$332,647	$2,020,016	$284,988		$118,027	$2,755,678
	2009	$325,542	$1,640,012	$449,993		$50,396	$2,465,943
Chet Helck	2011	$317,500	$2,000,012	$299,986		$77,400	$2,694,898
Executive VP RJF	2010	$308,000	$1,700,014	$100,000	$271,551	$100,628	$2,480,193
CEO of Global Private Client Group RJF (5)	2009	$302,000	$900,000	$231,983		$25,564	$1,459,547
Dennis W. Zank	2011	$283,750	$2,000,012	$299,986		$70,359	$2,654,107
Chief Operating Officer RJF (5)	2010	$271,878	$1,700,014	$61,282	$271,551	$99,450	$2,404,175
Chief Executive Officer RJA							
Jeffrey P. Julien	2011	$217,250	$1,100,012	$99,974		$55,340	$1,472,576
Executive VP, Finance	2010	$192,500	$900,026	$56,480	$271,551	$81,363	$1,501,920
Chief Financial Officer RJF	2009	$188,000	$653,520	$77,490		$22,381	$941,391

(1) The amounts disclosed in the Bonus column represent the annual cash bonus, as described in the CD&A, awarded to the Named Executive Officers.

(2) The amounts shown in the Stock Awards and Option Awards columns represent the grant date fair value of equity awards granted to the Named Executive Officers **in the fiscal year shown**. For a description of the assumptions used in calculating the fair value of equity awards under ASC Topic 718, see Note 20 to our financial statements in our Form 10-K report for the year ended September 30, 2011.

(3) See the All Other Compensation table below for a breakdown of these amounts.

(4) Effective May 1, 2010, Mr. Reilly succeeded Mr. James as Chief Executive Officer.

(5) Titles effective January 1, 2012.

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All Other Compensation For fiscal 2011, All Other Compensation includes our contributions to defined contribution plans, dividends on unvested stock, commissions and perquisites.

Name	Employee Stock Ownership Plan Contribution	Profit Sharing Contribution	401(k) Company Match	Deferred Compensation Plan Contribution (a)	Deferred Compensation Plan Gain (a)	Dividends on Unvested Stock	Commissions	Perquisites (b)	Total All Other Compensation
Paul C. Reilly	$4,900	$11,379	$750	$40,320	($3,282)	$88,438		$26,897	$169,402
Thomas A. James	$4,900	$14,407		$40,320	($6,755)	$19,717	$18,213		$90,802
Chet Helck	$4,900	$12,756	$750	$40,320	($7,232)	$9,095	$479	$16,332	$77,400
Dennis W. Zank	$4,900	$13,513	$750	$40,320	($7,008)	$6,934	$10,950		$70,359
Jeffrey P. Julien	$4,900	$13,169	$750	$40,320	($7,313)	$3,483	$31		$55,340

(a) See Nonqualified Deferred Compensation table for more information.

(b) Includes (1) Company paid travel and related expenses for spouse or guest and (2) Raymond James Stadium suite tickets for which the Company incurred no incremental costs.

The following table provides information on the grants of plan based awards made to each of the Named Executive Officers during the fiscal year ended September 30, 2011.

GRANTS OF PLAN BASED AWARDS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2011

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (1)	All Other Option Awards: Number of Securities Underlying Options (2)	Exercise Price of Option Awards ($/Share)	Grant Date Fair Value of Stock and Option Awards ($) (3)
Paul C. Reilly	12/15/2010	13,162			$ 419,999
Thomas A. James	12/15/2010	11,908			$ 379,984
Chet Helck	12/15/2010	9,401			$ 299,986
Dennis W. Zank	12/15/2010	9,401			$ 299,986
Jeffrey P. Julien	12/15/2010	3,133			$ 99,974

(1) We grant RSUs in lieu of a portion of the annual bonus awarded to highly compensated employees (see the CD&A for more information). The RSUs vest approximately three years from the date of grant.

(2) Options have been granted every two years to key management employees (*i.e.*, fiscal 2008 and fiscal 2010). See the CD&A for more information including plans to grant options annually to senior executives. The stock options vest approximately five years from the date of grant.

(3)

Reflects the grant date fair value of each equity award computed in accordance with ASC Topic 718. For a description of the assumptions used in calculating the fair value of equity awards under ASC Topic 718, see Note 20 of our financial statements in our Form 10-K for the fiscal year ended September 30, 2011.

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The following table provides information on exercisable and unexercisable options and unvested stock awards held by the Named Executive Officers on September 30, 2011.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested (1)
Paul C. Reilly	2,500		$ 31.82	2/16/12 (2)	175,000 (4)	$ 4,543,000
	2,500		$ 25.87	2/15/13 (2)	1,876 (6)	$ 48,701
		2,500	$ 15.91	2/20/14 (2)	13,162 (7)	$ 341,686
		25,000	$ 25.28	1/24/16 (3)		
Thomas A. James					23,124 (5)	$ 600,299
					12,226 (6)	$ 317,387
					11,908 (7)	$ 309,132
Chet Helck	15,000		$ 24.97	2/1/12 (8)	11,921 (5)	$ 309,469
	9,000	6,000	$ 30.44	1/27/14 (9)	4,290 (6)	$ 111,368
		25,000	$ 25.28	1/24/16 (3)	9,401 (7)	$ 244,050
Dennis W. Zank	15,000		$ 24.97	2/1/12 (8)	1,955 (10)	$ 50,752
	9,000	6,000	$ 30.44	1/27/14 (9)	7,194 (5)	$ 186,756
		25,000	$ 25.28	1/24/16 (3)	2,629 (6)	$ 68,249
					9,401 (7)	$ 244,050
Jeffrey P. Julien	15,000		$ 24.97	2/1/12 (8)	3,982 (5)	$ 103,373
	9,000	6,000	$ 30.44	1/27/14 (9)	2,423 (6)	$ 62,901
		25,000	$ 25.28	1/24/16 (3)	3,133 (7)	$ 81,333

(1) The market value of the stock awards is based on the closing market price of our common stock as of September 30, 2011, which was $25.96.

(2) The option was granted as compensation for services provided as a nonemployee director. The option was granted five years prior to the option expiration date. The unexercisable options vest 100% in three years from date of grant.

(3) The option was granted six years and two months prior to the option expiration date. The unexercisable options vest 60% in three years, 8% in four years, 16% in five years and 16% in five years and two months from date of grant.

(4) A 250,000 share award was granted on May 1, 2009; the 175,000 unvested shares vest 42% in three years, 29% in four years, and 29% in five years from that date.

(5) The stock award was granted on December 5, 2008 and cliff vests in approximately three years from that date.

(6) The stock award was granted on December 15, 2009 and cliff vests in approximately three years from that date.

(7) The RSU award was granted on December 15, 2010 and cliff vests in approximately three years from that date.

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(8) The option was granted six years and two months prior to the option expiration date.

(9) A 15,000 option award was granted six years and two months prior to the option expiration date. The 6,000 unexercisable options vest 3% in four years, 47% in four years and two months, and 50% in five years and two months from date of grant.

(10) The stock award was granted on December 20, 2006 and the unvested shares vest five years from that date.

The following table provides information, on an aggregate basis, about stock options that were exercised and restricted stock awards that vested during the fiscal year ended September 30, 2011 for each of the Named Executive Officers.

OPTION EXERCISES AND STOCK VESTED FOR FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (1)	Value Realized On Exercise (2)	Number of Shares Acquired on Vesting (3)	Value Realized On Vesting
Paul C. Reilly	2,250	$ 19,208		
Thomas A. James			18,566	$ 573,689 (4)
Chet Helck			8,993	$ 277,884 (4)
Dennis W. Zank			1,955	$ 64,280 (5)
			7,542	$ 233,048 (4)
Jeffrey P. Julien			2,552	$ 78,857 (4)

(1) Total number of shares underlying the options exercised during fiscal 2011.

(2) Amounts in this column reflect the difference between the market price on the date of exercise and the exercise price of the options exercised, multiplied by the number of options exercised.

(3) Total number of restricted shares that vested during fiscal 2011.

(4) The value of the shares on December 7, 2010 (the date of vesting) using the closing market price for our common stock, which was $30.90.

(5) The value of the shares on December 20, 2010 (the date of vesting) using the closing market price for our common stock, which was $32.88.

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The table below reflects Company credits and deemed earnings thereon under two deferred compensation plans for our Named Executive Officers.

NONQUALIFIED DEFERRED COMPENSATION

Name	Executive Contributions In Last Fiscal Year	Registrant Contributions in Last Fiscal Year (1) (2)	Aggregate Earnings (Losses) in Last Fiscal Year (1)	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year-End (3)
Paul C. Reilly		$ 40,320	($3,282)		$ 35,717
Thomas A. James		$ 40,320	($6,755)	$ 48,307	$ 814,122
Chet Helck		$ 40,320	($7,232)	$ 48,307	$ 336,757
Dennis W. Zank		$ 40,320	($7,008)	$ 48,307	$ 560,885
Jeffrey P. Julien		$ 40,320	($7,313)	$ 41,416	$ 480,041

(1) The amounts presented in these columns are included in the All Other Compensation table located after the footnotes to the Summary Compensation Table.

(2) Represents amounts earned with respect to last fiscal year but contributed in December 2011.

(3) The amounts presented in this column include previously and currently reported compensation with regard to Long Term Incentive Plan (**LTIP**) contributions made by us. The following amounts represent vested balances of the Named Executive Officers at September 30, 2011: Mr. Reilly $0, Mr. James $653,958, Mr. Helck $176,593, Mr. Zank $400,721 and Mr. Julien $319,877.

Our LTIP, originally adopted effective October 1, 2000, is an unfunded deferred compensation plan benefiting key management and other highly compensated employees. Under the LTIP, we determine each year which employees will be participants for that plan year and then establish an account on our books for that plan year for each participant. Although we can elect to use other allocation formulas, historically, the allocations under the LTIP have been made based upon the individual participant s level of compensation above a minimum, and not in excess of a maximum, amount (for fiscal 2011, these amounts were $245,000 and $845,000, respectively). The CGN&C Committee or its designee then decides the percentage, if any, by which that compensation is multiplied to determine the contribution credited to each participant s account for the particular plan year. Each account is thereafter credited (or debited), based upon the account s allocable share of the return that would have been earned (including any negative return) had all accounts been invested in a group of unaffiliated mutual funds. The Executive Chairman and Chief Financial Officer select those mutual funds, pursuant to authority delegated by the CGN&C Committee. Annual allocations and their deemed earnings vest after five years, subject to earlier vesting in the case of death, disability or separation of service after attaining age 65. In the case of early retirement, a participant can continue to accrue vesting credit after such retirement so long as certain non-competition covenants are not violated. We pay the vested account balance in a cash lump sum after five years of credited service, subject to earlier payment in the case of death, disability or separation of service after normal retirement age and subject to certain deferral rights that must be exercised at least 12 months in advance. Because the account balances are unfunded, they represent only unsecured claims in the event we become bankrupt.

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Our Deferred Management Bonus Plan (**DMBP**), which was originally adopted effective as of October 1, 1989, preceded the LTIP. The DMBP remains in effect to administer certain amounts credited prior to the adoption of the LTIP. The last bonus allocation that was made to the DMBP was with respect to fiscal year 1999. Since that time, additional amounts credited to the DMBP accounts have been based on a deemed interest return on the amounts in the respective DMBP accounts. Like the LTIP, the DMBP is an unfunded plan that was established to benefit key management and other highly compensated employees. For fiscal years 1990 through 1999, each participant s account was credited with a contribution, if any, determined by us in a manner similar to the LTIP. During such period and thereafter, participants accounts have been credited with a deemed interest return, based upon the average annual interest rate payable by RJA on brokerage client account funds. Annual amounts credited to a participant s account and the deemed interest vest ratably over an eight-year period, subject to earlier vesting in the case of death, disability, attaining age 65 or a qualified early retirement. We pay the vested account balance as soon as practical following death or disability and pay the vested account balance as soon as practical after the end of the plan year in which retirement occurs after attaining age 65. Other provisions apply in the case of early retirement. Because the account balances are unfunded, they represent only unsecured claims in the event we become bankrupt.

OTHER ARRANGEMENTS WITH CHIEF EXECUTIVE OFFICERS

Paul C. Reilly, our Chief Executive Officer was granted 250,000 restricted shares pursuant to his hiring letter. Those shares vest(ed) on his starting date anniversaries as follows: 30% on May 1, 2010, 30% on May 1, 2012, 20% on May 1, 2013 and 20% on May 1, 2014. Like our other employees, Mr. Reilly s employment is at will .

In December 2009, Thomas A. James entered into an agreement with us confirming (1) the terms of his continued employment after he has retired as Chief Executive Officer and (2) the terms of his continuing service as a non-employee Chairman of the Board should he retire from our employment. As Executive Chairman of the Board, Mr. James will be paid an annual salary of $335,000, subject to normal annual adjustment as approved by the CGN&C Committee of the Board of Directors, and be eligible to participate in our annual cash bonus and associated Stock Bonus Plan in accordance with a formula approved by the CGN&C Committee. The agreement provides that, like our other employees, Mr. James is an employee at will . Should Mr. James retire from employment, but desire to continue to serve as the non-executive Chairman of the Board, we will request that the Board of Directors nominate him for election to the Board and elect him to serve as its Chairman so long as he is elected to the Board by the shareholders and maintains undisclaimed beneficial holdings of five percent of the outstanding shares of our stock. As compensation for his service as non-executive Chairman, Mr. James would be paid director s fees as are paid to our independent directors, plus a Chairman s retainer increment as determined by the CGN&C Committee.

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TRANSACTIONS WITH RELATED PERSONS

Review of Related Person Transactions

The CGN&C Committee adopted a Related Person Transaction Approval Policy which is in writing and administered by that Committee. This policy applies to any transaction or series of transactions in which we or a subsidiary is a participant, the amount involved exceeds $120,000 and a related person has a direct or indirect material interest. Under the policy, our management will determine whether a transaction meets the requirements of a related person transaction requiring review by the Committee. Transactions that fall within this definition will be referred to the Committee for approval, ratification or other action. Based on its consideration of all of the relevant facts and circumstances, the Committee will decide whether or not to approve such transaction and will approve only those transactions that are in our best interest. If we become aware of an existing transaction with a related person which has not been approved under this policy, the matter will be referred to the Committee. The Committee will evaluate all options available, including ratification, revision or termination of such transaction. For purposes of the policy, the term related person has the meaning ascribed to it in SEC regulation S-K 404(a) Transactions with related persons, promoters and certain control persons .

Transactions

We, in the ordinary course of our business, make bank loans to, and hold bank deposits for certain of our officers and directors and also extend margin credit in connection with the purchase of securities to certain of our officers and directors who are affiliated with one of our broker-dealers, as permitted under the Sarbanes-Oxley Act (the **Act**). These transactions have been made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with non-affiliated persons, and do not involve more than normal risk of collectability or present other unfavorable features. We also, from time to time and in the ordinary course of our business, enter into transactions involving the purchase or sale of securities as principal from, or to, directors, officers and employees and accounts in which they have an interest. These purchases and sales of securities on a principal basis are effected on substantially the same terms as similar transactions with unaffiliated third parties.

We have from time to time established private investment funds to permit certain officers to participate in our merchant banking, venture capital and other similar activities by investing alongside the funds that we raise and manage for non-employee investors. Trusts benefiting family members of these officers have also invested in these funds. One employee alongside fund is not subject to a management carried interest. In addition, certain of our directors and executive officers from time to time may invest their personal monies in funds managed by our subsidiaries on substantially the same terms and conditions as other similarly situated investors in these funds who are neither directors nor officers.

The only director, executive officers or affiliated entity who received distributions of profits earned on investments made by, and other income from, any affiliated fund from which total distributions exceeded $120,000 in the aggregate in fiscal 2011, were (1) a trust affiliated with Mr. James, which received $507,997, (2) Richard G. Averitt, III, Chairman and Chief Executive Officer of RJFS, who received $164,896, (3) Jeffrey E. Trocin, Executive Vice President of Equity Capital Markets of RJA, who received $133,893, and (4) Raymond James Employee Investment Fund I, L.P., which received $389,679.

Thomas A. and Mary James permit us to display over 2,000 pieces from their nationally known art collection throughout the Raymond James home office complex, without charge to us. The art collection is a marketing attraction for businesses and other organizations, and we provide regular tours for clients, local schools, business groups and nonprofit organizations. In addition, from time to time, pieces from the collection

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are temporarily displayed in connection with branch office client events for which we bear the cost of shipping. In return, we bear the cost of insurance and the direct and overhead costs of two staff persons who serve as curators for the collection and conduct both on and off-site tours and exhibitions. The total cost to us for these items during fiscal 2011 was approximately $173,000.

Courtland James, a son of Thomas A. James, is employed as a Vice President of New Business Development for Eagle, a subsidiary of the Company. He was paid compensation in fiscal 2011 of $167,588. Huntington James, a son of Thomas A. James, is employed in a non-executive position by us. He was paid compensation in fiscal 2011 of $257,598. Donald Blair, the son-in-law of Francis S. Godbold, is an investment banker with RJA. He was paid compensation in fiscal 2011 of $532,074. Karen Julien, the wife of Jeffrey P. Julien, is employed by RJA as a branch manager. She was paid compensation in fiscal 2011 of $122,489.

RJ Ltd., our Canadian subsidiary, made a forgivable loan in August 2008, in the amount of CDN$1,000,000 to Paul D. Allison, pursuant to his offer letter to join RJ Ltd. as Co-President and Co-CEO. Forgivable loans are typical recruiting inducements in the Canadian securities industry. Under the terms of the loan, one third of the principal amount would be forgiven each year if he remained an employee. This loan came to the attention of the Company s general counsel in October 2010 who informed RJ Ltd. and Mr. Allison that since he became an executive officer of the Company, maintaining that loan is prohibited under Section 402 of the Act. As a consequence, RJ Ltd. forgave the CDN$333,333.33 remaining balance of the loan in November 2010, seven months prior to the last contractual forgiveness date.

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EQUITY COMPENSATION PLAN INFORMATION

The following table includes stock options, restricted stock and restricted stock units that can be issued pursuant to our stock-based compensation plans as of September 30, 2011. The table below does not include equity compensation plans that meet the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended (the **Code**), namely the Profit Sharing Plan and Employee Stock Ownership Plan.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights (1)	(c) Number of securities remaining available for future issuance under equity compensation plans. (Excludes securities reflected in column (a))
Equity compensation plans approved by shareholders (2)	3,367,746	$ 26.96	16,140,253 (3)
Equity compensation plans not approved by shareholders (4)	664,840	$ 29.24	1,104,317
Total	4,032,586	$ 27.34	17,244,570

(1) The weighted-average exercise price does not take into account the shares or restricted stock units issued under our restricted stock and employee stock purchase plans, which have no exercise price. The weighted-average remaining contractual term of the outstanding options as of September 30, 2011 was 2.65 years.

(2) We have six plans that were approved by shareholders: the 1992 and 2002 Incentive Stock Option Plans, each as amended, the 2003 Employee Stock Purchase Plan, as amended, the 2005 Restricted Stock Plan, as amended, the 2007 Stock Bonus Plan, as amended, and the 2007 Stock Option Plan for Independent Contractors, as amended.

(3) Includes 1,416,833 shares remaining available for issuance under the 2007 Stock Bonus Plan, as amended, 4,999,409 shares remaining available for issuance under the 2005 Restricted Stock Plan, as amended, and 3,507,648 shares remaining available for issuance under the 2003 Employee Stock Purchase Plan, as amended, as of September 30, 2011. The 1992 Incentive Stock Option Plan, which had 2,047,207 shares remaining available for issuance of options as of September 30, 2011, will terminate if the 2012 Stock Incentive Plan is approved by shareholders. Options for shares remaining available under the 1992 Incentive Stock Option Plan will not be issued after such approval date. See the fourth paragraph in Background under Proposal 3: To Approve the 2012 Stock Incentive Plan with respect to which of our other existing equity plans will be succeeded by the proposed 2012 Stock Incentive Plan.

(4) We have two non-qualified option plans that were not required to be approved by shareholders: the Stock Option Plan for Key Management Personnel, as amended, and the Stock Option Plan for Outside Directors, as amended.

The material features of our equity compensation plans which have not been approved by shareholders are, as required by the SEC rules, described below. These descriptions do not purport to be complete and are qualified in their entirety by reference to the plan documents which are included as exhibits to our annual report on Form 10-K for the fiscal year ended September 30, 2011.

Under one of our non-qualified stock option plans, we may grant options to our outside directors. Options vest over a three-year period from grant date provided that the director is still serving on our Board. Under our

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second non-qualified stock option plan, we may grant options to key management personnel. Option terms are specified in individual agreements and expire on a date no later than the tenth anniversary of the grant date. Under all plans, the exercise price of each option equals the market price of our stock on the date of grant.

Our 1990 Stock Option Plan for Independent Contractors, as amended, was not approved by shareholders. Options remain outstanding under the 1990 plan. Options are exercisable five years after grant date provided that the Independent Contractor Financial Advisor is still associated with us. The 1990 plan was succeeded by the 2007 Stock Option Plan for Independent Contractors which was approved by the shareholders in February 2007.

Two of our restricted stock plans were not approved by shareholders. Shares have not been issued under the 1999 Restricted Stock Plan since it was succeeded by the 2005 Restricted Stock Plan upon the shareholders approval of that plan in February 2005.

No additional shares will be issued under our 1999 Stock Bonus Plan. That plan was succeeded by the 2007 Stock Bonus Plan which was approved by the shareholders in February 2007. Like the 1999 Stock Bonus Plan, restricted shares have been issued under the 2007 Stock Bonus Plan to most officers and certain other employees in lieu of cash for 10% to 20% of annual bonus amounts in excess of $250,000. In computing the number of shares to be awarded to most employees, 90% of our applicable stock price is used. Operating Committee members awards have been computed based upon 100% of our applicable stock price. Commencing in November 2010, restricted stock units that settle in shares are being issued under the 2007 Stock Bonus Plan rather than shares of restricted stock. Effective fiscal year 2011, the upper end of the range of the portion of the annual bonus in excess of $250,000 paid in restricted stock units increased from 20% to 50%.

The shares are generally restricted for, and the restricted stock units will vest after, a three-year period, during which time the shares/units are forfeitable in the event of voluntary termination. In most cases, the compensation cost is recognized over the three-year vesting period based on the market value of the shares on the date of grant.

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PROPOSAL 2: TO RATIFY THE APPOINTMENT BY THE AUDIT COMMITTEE OF OUR BOARD OF DIRECTORS OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board of Directors has selected KPMG LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2012, and our Board of Directors has directed that management submit the appointment of the independent registered public accounting firm for ratification by the shareholders at the Annual Meeting. KPMG LLP has served as our independent registered public accounting firm since 2001. Representatives of KPMG LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement at the Annual Meeting and will be available to respond to appropriate questions.

Neither our By-Laws nor other governing documents or law require shareholder ratification of appointment of KPMG LLP as our independent registered public accounting firm. However, the Audit Committee of our Board of Directors recommended, and our Board of Directors is, submitting the appointment of KPMG LLP to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain that firm. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time if it determines that such a change would be in the best interests of us and our shareholders.

Ratification of the appointment of KPMG LLP will require that the votes cast favoring the appointment exceed the votes cast opposing it.

FEES PAID TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The following table shows information about fees paid by Raymond James Financial, Inc. to KPMG LLP related to the fiscal years indicated. All fees were approved by the Audit Committee (see discussion in the Report of the Audit Committee of the Board of Directors).

	2011	2010
Audit fees	$ 2,536,715	$ 2,484,517
Audit related fees [(a)]	$ 484,586	$ 155,000
Tax fees [(b)]	$ 28,325	$ 52,000
All other fees [(c)]	$ 43,259	$ 55,936

(a) Primarily fees for comfort letter and custody rule examinations of registered investment advisors in 2011 and comfort letter fees in 2010.

(b) Tax fees include fees related to the preparation of Canadian tax returns and consultation on various Canadian tax matters, including support during income tax audit or inquiries.

(c) Consulting fees related to reporting required by regulations and client tax reporting.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THIS PROPOSAL.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THIS PROPOSAL.

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PROPOSAL 3: TO APPROVE THE 2012 STOCK INCENTIVE PLAN

Background

On November 22, 2011, the Board of Directors adopted the 2012 Stock Incentive Plan (the **2012 Plan**), subject to shareholder approval. We are asking our shareholders to approve the 2012 Plan so that we can use the 2012 Plan to achieve the Company s performance, recruiting, retention and incentive goals, as well as receive a federal income tax deduction for certain compensation paid under the 2012 Plan.

The Company currently grants stock options and/or restricted stock units to the Company s directors, employees and independent contractors as an incentive to increase long-term shareholder value. The 2012 Plan includes a variety of forms of awards, including stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalents and cash awards to allow the Company to adapt its incentive compensation program to meet the needs of the Company in the changing business environment in which the Company operates.

We strongly believe that the approval of the 2012 Plan is essential to our continued success. The Board of Directors and management believe that equity and cash awards motivate high levels of performance, align the interests of our personnel and shareholders by giving directors, employees and independent contractors the perspective of an owner with an equity stake in the Company, and provide an effective means of recognizing their contributions to the success of the Company. The Board of Directors and management believe that equity and cash awards are a competitive necessity in our industry, and are essential to recruiting and retaining the highly successful producers and other key personnel who help the Company meet its goals, as well as rewarding and encouraging current directors, employees and independent contractors. The Board of Directors and management believe that the ability to grant equity and cash awards will be important to the future success of the Company.

The 2012 Plan will serve as the successor to our 1996 Stock Option Plan for Key Management Personnel, 2007 Stock Option Plan for Independent Contractors, 2002 Incentive Stock Option Plan, Stock Option Plan for Outside Directors, 2005 Restricted Stock Plan and 2007 Stock Bonus Plan (the **Predecessor Plans**). Assuming shareholders approve the 2012 Plan, the 2012 Plan will be effective as of November 22, of operations.

The state of the global economy continues to be uncertain. As a result of these conditions, our manufacturers, vendors and customers might experience deterioration of their businesses, cash flow shortages and difficulty obtaining financing which could result in interruptions or delays in the performance of any contracts, reductions and delays in customer purchases, delays in or the inability of customers to obtain financing to purchase our products, and bankruptcy of customers. Furthermore, the constraints in the capital and credit markets, may limit the ability of our customers to meet their liquidity needs, which could result in an impairment of their ability to make timely payments to us and reduce their demand for our products, adversely impacting our results of operations and cash flows. This environment has also made it difficult for us to accurately forecast and plan future business activities.

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The interest of our current or potential significant shareholders may conflict with other shareholders and they may attempt to effect changes at the Company or acquire control over the Company, which could adversely affect the Company's results of operations and financial condition.

Shareholders of the Company may from time to time engage in proxy solicitations, advance shareholder proposals, acquire control over the Company or otherwise attempt to effect changes, including by directly voting their shares on shareholder proposals. Campaigns by shareholders to effect changes at publicly traded companies are sometimes led by investors seeking to increase short-term shareholder value through actions such as financial restructuring, increased debt, special dividends, stock repurchases or sales of assets or the entire company. Responding to proxy contests and other actions by activist shareholders can be costly and time-consuming, disrupting the Company's operations and diverting the attention of the Company's Board of Directors and senior management from the pursuit of business strategies. Additionally, uncertainty over the Company's direction and leadership may negatively impact the Company's relationship with its customers and make it more difficult to attract and retain qualified personnel and business partners. As a result, shareholder campaigns could adversely affect the Company's results of operations and financial condition.

We have entered into a standstill agreement with Becker Drapkin Management L.P. and related entities ("Becker Drapkin") included in a 13(d) 10% group.

We have entered into a standstill agreement with Becker Drapkin that required us to nominate two directors to our board of directors that have been selected by Becker Drapkin. The standstill agreement also requires Becker Drapkin to vote with the board on certain matters and prevents Becker Drapkin from taking certain actions, including participating in any sale transaction or tender offer that is not approved by our board of directors. There is no restriction, however, on Becker Drapkin's ability to vote against a sale transaction that is approved by our board of directors. All of these provisions could make it more difficult, and deter a third party from making an offer to purchase the Company.

Upon expiration of the term of the standstill agreement, there will no longer be restrictions on Becker Drapkin's ability to buy additional shares, vote or participate in sale transactions or tender offers. As a result, Becker Drapkin will have the ability to exert significant influence on our management and operations, and matters requiring approval of its stockholders, including the approval of significant corporate transactions, such as a merger or other sale of the Company or its assets.

We may from time to time grant Becker Drapkin a waiver from some or all of its obligations under the standstill agreement. For example, in August 2012, we entered into an amendment to the standstill agreement with Becker Drapkin that allowed Becker Drapkin to acquire additional shares of our common stock on or before November 30, 2012. Pursuant to this agreement, Becker Drapkin acquired 139,347 shares of our common stock.

In addition, the acquisition of additional shares or sale of shares by Becker Drapkin could trigger an "ownership change" under Section 382 of the Code and result in a limitation in our ability to use our net operating loss carryforwards, pursuant to Section 382 of the Code.

Future sales of our equity could result in significant dilution to our existing shareholders and depress the market price of our common stock.

We may need to seek additional capital from time to time. If this financing is obtained through the issuance of equity securities, debt convertible into equity securities, options or warrants to acquire equity securities or similar instruments or securities, our existing shareholders will experience dilution in their ownership percentage upon the issuance, conversion or exercise of such securities and such dilution could be significant. For example, we issued approximately 3.0 million and 4.2 million shares of our common stock in underwritten registered public offerings in August 2013 and May 2011, respectively. New equity securities issued by us could have rights, preferences or privileges senior to those of our common stock.

In addition, any such issuance by us or sales of our securities by our security holders, or the perception that such issuances or sales could occur, could negatively impact the market price of our securities. For example, a number of shareholders own significant blocks of our common stock. If one or more of these shareholders were to sell large portions of their holdings in a relatively short time, for liquidity or other reasons, the prevailing market price of our common stock could be negatively affected. This could result in further potential dilution to our existing shareholders and the impairment of our ability to raise capital through the sale of equity, debt or other securities.

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The price of our common stock has and may continue to fluctuate substantially.

Our stock price and the stock prices of technology companies similar to Pixelworks have been highly volatile. The price of our common stock may decline and the value of your investment may be reduced regardless of our performance.

The daily trading volume of our common stock has historically been relatively low, although, during the second and third quarters of 2013, trading volume increased compared to historical levels. As a result of this low volume, our shareholders may be unable to sell significant quantities of common stock in the public trading markets without a significant reduction in the price of our common shares. Additionally, market fluctuations, as well as general economic and political conditions, including recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our common stock. Other factors that could negatively impact our stock price include:

- actual or anticipated fluctuations in our operating results;
- changes in expectations as to our future financial performance;
- changes in financial estimates of securities analysts;
- announcements by us or our competitors of technological innovations, design wins, contracts, standards, acquisitions or divestitures;
- the operating and stock price performance of other comparable companies;
- issuances or proposed issuances of equity, debt or other securities by us, or sales of securities by our security holders; and
- changes in market valuations of other technology companies.

Any inability or perceived inability of investors to realize a gain on an investment in our common stock could have an adverse effect on our business, financial condition and results of operations by potentially limiting our ability to retain our customers, to attract and retain qualified employees and to raise capital.

We may be unable to maintain compliance with NASDAQ Marketplace Rules which could cause our common stock to be delisted from the NASDAQ Global Market. This could result in the lack of a market for our common stock, cause a decrease in the value of our common stock, and adversely affect our business, financial condition and results of operations.

Under the NASDAQ Marketplace Rules our common stock must maintain a minimum price of $1.00 per share for continued inclusion on the NASDAQ Global Market. The per share price of our common stock has fluctuated significantly. In 2008, we effected a one-for-three reverse split of our common stock in order to regain compliance with the NASDAQ Marketplace Rules and our stock price was below $1.00 as recently as May 6, 2009. We cannot guarantee that our stock price will remain at or above $1.00 per share. If the price again drops below $1.00 per share, our stock could become subject to delisting, and we may seek shareholder approval for an additional reverse split. A reverse split could produce adverse effects and may not result in a long-term or permanent increase in the price of our common stock.

In addition to the minimum $1.00 per share requirement, the NASDAQ Global Market has other listing requirements, including: (i) a minimum of $50.0 million in total asset value and $50.0 million in revenues in the latest fiscal year or in two of the last three fiscal years; (ii) a minimum of $50.0 million in market value of listed securities, $15.0 million in market value of publicly held securities and at least 1.1 million publicly held shares; or (iii) a minimum of $10.0 million in shareholders' equity. As of September 30, 2013, we were in compliance with these listing requirements based on the market value and holdings of our listed securities, and on the amount of shareholders' equity. However, as recently as June 30, 2013, our shareholders’ equity was below $10.0 million and we currently have, and expect to continue to have, a total asset value of less than $50.0 million. In addition, as recently as during the second quarter of 2013, the aggregate market value of our listed securities was below $50.0 million. Our stock price is volatile and, as of March 15, 2013, 34.9% of shares were held, collectively, by our directors, officers, and beneficial owners of at least 10% or more of our common stock. This means that we are susceptible to the market value of our listed securities and/or the market value of our publicly held securities falling below $50.0 million and $15.0 million, respectively. Accordingly, we cannot assure you that we will be able to continue to comply with the NASDAQ’s listing requirements. Should we be unable to remain in compliance with these requirements, our stock could become subject

to
delisting.

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If our common stock is delisted, trading of the stock will most likely take place on an over-the-counter market established for unlisted securities. An investor is likely to find it less convenient to sell, or to obtain accurate quotations in seeking to buy, our common stock on an over-the-counter market, and many investors may not buy or sell our common stock due to difficulty in accessing over-the-counter markets, or due to policies preventing them from trading in securities not listed on a national exchange or other reasons. For these reasons and others, delisting would adversely affect the liquidity, trading volume and price of our common stock, causing the value of an investment in us to decrease and having an adverse effect on our business, financial condition and results of operations by limiting our ability to attract and retain qualified executives and employees and limiting our ability to raise capital.
The anti-takeover provisions of Oregon law and in our articles of incorporation could adversely affect the rights of the holders of our common stock, including by preventing a sale or takeover of us at a price or prices favorable to the holders of our common stock.
Provisions of our articles of incorporation and bylaws and provisions of Oregon law may have the effect of delaying or preventing a merger or acquisition of us, making a merger or acquisition of us less desirable to a potential acquirer or preventing a change in our management, even if our shareholders consider the merger, acquisition or change in management favorable or if doing so would benefit our shareholders. In addition, these provisions could limit the price that investors would be willing to pay in the future for shares of our common stock. The following are examples of such provisions:

- our board of directors is divided into three classes serving staggered terms, which would make it more difficult for a group of shareholders to quickly replace a majority of directors;
- our board of directors is authorized, without prior shareholder approval, to create and issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us or to effect a change of control, commonly referred to as "blank check" preferred stock;
- members of our board of directors can be removed only for cause and at a meeting of shareholders called expressly for that purpose, by the vote of 75 percent of the votes then entitled to be cast for the election of directors;
- our board of directors may alter our bylaws without obtaining shareholder approval; and shareholders are required to provide advance notice for nominations for election to the board of directors or for proposing matters to be acted upon at a shareholder meeting;
- Oregon law permits our board to consider other factors beyond stockholder value in evaluating any acquisition offer (so-called "expanded constituency" provisions); and
- a supermajority (67%) vote of shareholders is required to approve certain fundamental transactions.

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Item 6. Exhibits.

31.1	Certification of Chief Executive Officer.
31.2	Certification of Chief Financial Officer.
32.1*	Certification of Chief Executive Officer.
32.2*	Certification of Chief Financial Officer.

* Furnished, not filed.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	PIXELWORKS, INC.
Dated: November 8, 2013	/s/ Steven L. Moore
	Steven L. Moore
	Vice President, Chief Financial Officer, Secretary and Treasurer

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