

RAYMOND JAMES FINANCIAL INC  
Form 10-Q/A  
May 11, 2011

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

FORM 10-Q/A  
(Amendment No. 1)

(Mark one)  
x

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2011

or

o  
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 1-9109

RAYMOND JAMES FINANCIAL, INC.  
(Exact name of registrant as specified in its charter)

Florida  
(State or other jurisdiction of  
incorporation or organization)

No. 59-1517485  
(I.R.S. Employer Identification  
No.)

880 Carillon Parkway, St. Petersburg, Florida 33716  
(Address of principal executive offices) (Zip Code)

(727) 567-1000  
(Registrant's telephone number, including area code)

None  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and

post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

126,502,440 shares of Common Stock as of May 4, 2011

---

EXPLANATORY NOTE

Raymond James Financial, Inc. (the “Company”) is filing this Amendment No. 1 on Form 10-Q/A to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (the “Report”) which was originally filed with the Securities and Exchange Commission on May 9, 2011, to replace an incorrect electronic file attachment, specifically the submissionpdf.pdf attachment, which accompanied such submission. Only the .pdf attachment was incorrect. Each of the .htm, as well as the XBRL attachments, attached to the original filing were correct. The submissionpdf.pdf document that was attached to the May 9, 2011 submission was inadvertently an earlier draft version of the document.

We are including, for clarification, the following attachments to this submission.

- Submissionpdf.pdf – the Amended, correct pdf file.
- The .htm files, as amended. Note that other than the title and date of the document and this Explanatory Note on page 2, there are no changes in the content of the .htm version from that as originally included with the May 9, 2011 submission.
- Each of the XBRL attachments as originally included with the May 9, 2011 submission. The content of these XBRL files did not change.
- Exhibit 99. This exhibit presents a comparison of the content of the submissionpdf.pdf file as originally submitted with the May 9, 2011 filing, compared to the Amended submissionpdf.pdf version. Any page which contained a change in content (e.g. we did not consider a change in format to be a change in content), is included in this exhibit and the change is marked in the attachment.

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES

Form 10-Q/A for the Quarter Ended March 31, 2011

INDEX

	PAGE
<b>PART I. FINANCIAL INFORMATION</b>	
Item 1. Financial Statements (Unaudited)	
Condensed Consolidated Statements of Financial Condition as of March 31, 2011 and September 30, 2010 (Unaudited)	4
Condensed Consolidated Statements of Income and Comprehensive Income for the Three and Six Month Periods Ended March 31, 2011 and March 31, 2010 (Unaudited)	5
Condensed Consolidated Statements of Changes in Shareholders' Equity for the Six Months Ended March 31, 2011 and March 31, 2010 (Unaudited)	6
Condensed Consolidated Statements of Cash Flows for the Six Months Ended March 31, 2011 and March 31, 2010 (Unaudited)	7
Notes to Condensed Consolidated Financial Statements (Unaudited)	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	45
Item 3. Quantitative and Qualitative Disclosures about Market Risk	74
Item 4. Controls and Procedures	81
<b>PART II. OTHER INFORMATION</b>	
Item 1. Legal Proceedings	82
Item 1A. Risk Factors	82
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	83
Item 3. Defaults upon Senior Securities	83
Item 5. Other Information	83
Item 6. Exhibits	84

Signatures

85

3

---

## PART I FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)

	March 31, 2011	September 30, 2010
	(\$ in thousands)	
Assets:		
Cash and cash equivalents	\$1,255,168	\$ 2,943,239
Assets segregated pursuant to regulations and other segregated assets	2,406,869	3,430,715
Securities purchased under agreements to resell and other collateralized financings	390,376	344,652
Financial instruments, at fair value:		
Trading instruments	529,643	591,447
Available for sale securities	353,670	424,461
Private equity and other investments	307,457	321,079
Receivables:		
Brokerage clients, net	1,797,597	1,675,535
Stock borrowed	310,487	262,888
Bank loans, net	6,028,387	6,094,929
Brokers-dealers and clearing organizations	131,231	143,994
Other	494,434	442,856
Deposits with clearing organizations	76,523	76,488
Prepaid expenses and other assets	457,145	451,357
Investments in real estate partnerships - held by variable interest entities	326,770	280,890
Property and equipment, net	168,828	170,768
Deferred income taxes, net	187,019	165,208
Goodwill	62,575	62,575
<b>Total Assets</b>	<b>\$15,284,179</b>	<b>\$ 17,883,081</b>
Liabilities and equity:		
Trading instruments sold but not yet purchased, at fair value	\$107,771	\$ 131,038
Securities sold under agreements to repurchase	62,292	233,346
Payables:		
Brokerage clients	3,693,434	3,308,115
Stock loaned	609,971	698,668
Bank deposits	6,710,583	7,079,718
Brokers-dealers and clearing organizations	173,406	137,041
Trade and other	277,620	290,268
Other borrowings	-	2,557,000
Accrued compensation, commissions and benefits	366,349	418,591
Loans payable related to investments by variable interest entities in real estate partnerships	108,983	76,464

Edgar Filing: RAYMOND JAMES FINANCIAL INC - Form 10-Q/A

Corporate debt	354,362	355,964
<b>Total Liabilities</b>	<b>12,464,771</b>	<b>15,286,213</b>
Commitments and contingencies (See Note 12)		
<b>Equity</b>		
Preferred stock; \$.10 par value; authorized 10,000,000 shares; issued and outstanding -0- shares	-	-
Common stock; \$.01 par value; authorized 350,000,000 shares; issued 130,243,288 at March 31, 2011 and 128,620,429 at September 30, 2010	1,264	1,244
Shares exchangeable into common stock; -0- at March 31, 2011 and 243,048 at September 30, 2010	-	3,119
Additional paid-in capital	538,019	476,359
Retained earnings	2,044,007	1,909,865
Treasury stock, at cost; 3,993,636 common shares at March 31, 2011 and 3,918,492 common shares at September 30, 2010	(85,431 )	(81,574 )
Accumulated other comprehensive income	9,931	(6,197 )
<b>Total equity attributable to Raymond James Financial, Inc.</b>	<b>2,507,790</b>	<b>2,302,816</b>
Noncontrolling interests	311,618	294,052
<b>Total Equity</b>	<b>2,819,408</b>	<b>2,596,868</b>
<b>Total Liabilities and Equity</b>	<b>\$15,284,179</b>	<b>\$ 17,883,081</b>

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND  
COMPREHENSIVE INCOME (Unaudited)

Three Months Ended  
March 31,                      Six Months Ended March 31,  
2011                      2010                      2011                      2010  
(\$ in thousands, except per share amounts)

Revenues:				
Securities commissions and fees	\$563,710	\$479,302	\$ 1,097,849	\$ 948,453
Investment banking	63,131	44,839	122,100	70,557
Investment advisory fees	52,441	42,218	104,657	86,193
Interest	96,811	93,275	201,197	184,647
Net trading profits	15,246	10,170	21,568	21,807
Financial service fees	41,291	39,286	83,079	76,068
Other	34,114	40,897	66,627	64,931
<b>Total Revenues</b>	<b>866,744</b>	<b>749,987</b>	<b>1,697,077</b>	<b>1,452,656</b>
Interest expense	14,687	15,548	31,191	31,250
<b>Net Revenues</b>	<b>852,057</b>	<b>734,439</b>	<b>1,665,886</b>	<b>1,421,406</b>
Non-interest expenses:				
Compensation, commissions and benefits	579,587	497,419	1,131,471	968,498
Communications and information processing	36,380	32,445	67,525	60,519
Occupancy and equipment costs	26,773	25,892	53,002	52,607
Clearance and floor brokerage	9,447	8,828	19,364	17,330
Business development	22,820	20,614	46,765	40,495
Investment sub-advisory fees	7,867	6,827	14,771	13,385
Bank loan loss provision	8,637	19,937	19,869	42,772
Other	36,308	28,269	62,135	64,479
<b>Total Non-interest Expenses</b>	<b>727,819</b>	<b>640,231</b>	<b>1,414,902</b>	<b>1,260,085</b>
Income including noncontrolling interests and before provision for income taxes	124,238	94,208	250,984	161,321
Provision for income taxes	45,320	34,028	94,111	60,513
Net income including noncontrolling interests	78,918	60,180	156,873	100,808
Net (loss) income attributable to noncontrolling interests	(1,999 )	4,552	(5,767 )	2,277
<b>Net Income Attributable to Raymond James Financial, Inc.</b>	<b>\$80,917</b>	<b>\$55,628</b>	<b>\$ 162,640</b>	<b>\$ 98,531</b>
Net Income per Common Share-Basic	\$0.64	\$0.45	\$ 1.29	\$ 0.79
Net Income per Common Share-Diluted	\$0.64	\$0.45	\$ 1.29	\$ 0.79
Weighted-Average Common Shares Outstanding-Basic	122,396	119,288	121,752	118,981
	123,265	119,580	122,238	119,234

Weighted-Average Common and Common Equivalent  
Shares Outstanding-Diluted

Net income attributable to Raymond James Financial, Inc.	\$80,917	\$55,628	\$ 162,640	\$ 98,531
Other comprehensive income, net of tax: (1)				
Change in unrealized gain on available for sale securities and non-credit portion of other-than-temporary impairment losses	2,024	5,071	6,921	18,294
Change in currency translations	3,703	4,522	9,207	7,495
Total Comprehensive Income	\$86,644	\$65,221	\$ 178,768	\$ 124,320
Other-than-temporary impairment:				
Total other-than-temporary impairment, net	\$(2,163 )	\$(1,858 )	\$( 1,384 )	\$( 17,378 )
Portion of (recoveries) losses recognized in other comprehensive income (before taxes)	(1,056 )	(581 )	(4,014 )	11,940
Net Impairment Losses Recognized in Other Revenue	\$(3,219 )	\$(2,439 )	\$( 5,398 )	\$( 5,438 )

(1) The components of other comprehensive income, net of tax are attributable to Raymond James Financial, Inc. None of the components of other comprehensive income are attributable to noncontrolling interests.

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

	Six Months Ended March 31,	
	2011	2010
	(\$ in thousands)	
Common stock, par value \$.01 per share:		
Balance, beginning of year	\$ 1,244	\$ 1,227
Issued (1)	20	3
Balance, end of period	1,264	1,230
Shares exchangeable into common stock:		
Balance, beginning of year	3,119	3,198
Exchanged (1)	(3,119 )	(18 )
Balance, end of period	-	3,180
Additional paid-in capital:		
Balance, beginning of year	476,359	416,662
Employee stock purchases	4,486	4,575
Exercise of stock options and vesting of restricted stock units, net of forfeitures	30,343	20,958
Restricted stock, stock option and restricted stock unit expense	23,960	10,802
Excess tax benefit from share-based payments	(236 )	(564 )
Other (1)	3,107	18
Balance, end of period	538,019	452,451
Retained earnings:		
Balance, beginning of year	1,909,865	1,737,591
Net income attributable to Raymond James Financial, Inc.	162,640	98,531
Cash dividends	(32,868 )	(28,396 )
Other	4,370	-
Balance, end of period	2,044,007	1,807,726
Treasury stock:		
Balance, beginning of year	(81,574 )	(84,412 )
Purchases/Surrenders	(6,659 )	(3,363 )
Exercise of stock options and vesting of restricted stock units, net of forfeitures	2,802	(931 )
Balance, end of period	(85,431 )	(88,706 )
Accumulated other comprehensive income: (2)		
Balance, beginning of year	(6,197 )	(41,803 )
Net unrealized gain on available for sale securities and non-credit portion of other-than-temporary impairment losses (3)	6,921	18,294
Net change in currency transactions	9,207	7,495
Balance, end of period	9,931	(16,014 )
Total equity attributable to Raymond James Financial, Inc.	\$ 2,507,790	\$ 2,159,867
Noncontrolling interests:		

Edgar Filing: RAYMOND JAMES FINANCIAL INC - Form 10-Q/A

Balance, beginning of year	\$ 294,052	\$ 200,676
Net (loss) income attributable to noncontrolling interests	(5,767 )	2,277
Capital contributions	18,052	34,170
Distributions	(3,225 )	(1,102 )
Other	8,506	(72 )
Balance, end of period	311,618	235,949
Total Equity	\$ 2,819,408	\$ 2,395,816

- (1) During the three months ended March 31, 2011, approximately 243,000 exchangeable shares were exchanged for common stock on a one-for-one basis.
- (2) The components of other comprehensive income are attributable to Raymond James Financial, Inc. None of the components of other comprehensive income are attributable to noncontrolling interests.
- (3) Net of tax.

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Six Months Ended March 31,	
	2011	2010
	(in thousands)	
Cash flows from operating activities:		
Net income attributable to Raymond James Financial, Inc.	\$ 162,640	\$ 98,531
Net (loss) income attributable to noncontrolling interests	(5,767 )	2,277
Net income including noncontrolling interests	156,873	100,808
Adjustments to reconcile net income including noncontrolling interests to net cash provided by (used in) operating activities:		
Depreciation and amortization	19,802	23,898
Deferred Income taxes	(25,848 )	(38,322 )
Premium and discount amortization on available for sale securities and unrealized/realized gain on other investments	(1,669 )	(12,511 )
Provisions for loan losses, legal proceedings, bad debts and other accruals	30,020	59,543
Stock-based compensation expense	27,041	24,181
Other	(1,317 )	173
Net change in:		
Assets segregated pursuant to regulations and other segregated assets	1,025,583	56,667
Securities purchased under agreements to resell and other collateralized financings, net of securities sold under agreements to repurchase	(216,778 )	(102,460 )
Stock loaned, net of stock borrowed	(136,296 )	522,145
Brokerage client receivables and other accounts receivable, net	(157,246 )	(103,106 )
Trading instruments, net	86,277	(117,682 )
Prepaid expenses and other assets	11,120	(38,674 )
Brokerage client payables and other accounts payable	390,655	(467,573 )
Accrued compensation, commissions and benefits	(54,660 )	(51,067 )
Purchase and origination of loans held for sale, net of proceeds from sale of securitizations and loans held for sale	(19,511 )	91,944
Excess tax benefits from stock-based payment arrangements	(1,069 )	(206 )
Net cash provided by (used in) operating activities	1,132,977	(52,242 )
Cash flows from investing activities:		
Additions to property and equipment	(15,974 )	(13,244 )
Decrease in loans, net	24,523	247,292
Redemption of Federal Home Loan Bank stock, net	4,777	-
Sales (Purchases) of private equity and other investments, net	14,328	(14,306 )
Decrease in securities purchased under agreements to resell	-	2,000,000
Purchases of available for sale securities	(1,832 )	-
Available for sale securities maturations and repayments	66,615	76,810
Sales of available for sale securities	11,444	-
Investments in real estate partnerships held by variable interest entities, net of other investing activity	(2,326 )	(4,316 )
Net cash provided by investing activities	101,555	2,292,236
Cash flows from financing activities:		
Proceeds from borrowed funds, net	-	70

Edgar Filing: RAYMOND JAMES FINANCIAL INC - Form 10-Q/A

Repayments of borrowings, net	(2,558,602 )	(931,516 )
Repayments of borrowings by variable interest entities which are real estate partnerships	(11,859 )	(8,512 )
Proceeds from capital contributed to variable interest entities which are real estate partnerships	17,528	34,382
Exercise of stock options and employee stock purchases	37,202	10,263
Decrease in bank deposits	(369,135 )	(2,691,928 )
Purchase of treasury stock	(6,916 )	(3,363 )
Dividends on common stock	(32,868 )	(28,396 )
Excess tax benefits from stock-based payment arrangements	1,069	206
Net cash used in financing activities	(2,923,581 )	(3,618,794 )
Currency adjustment:		
Effect of exchange rate changes on cash	978	1,701
Net decrease in cash and cash equivalents	(1,688,071 )	(1,377,099 )
Cash and cash equivalents at beginning of year	2,943,239	2,306,085
Cash and Cash Equivalents at End of Period	\$ 1,255,168	\$ 928,986
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 32,565	\$ 30,053
Cash paid for income taxes	\$ 118,750	\$ 110,258
Non-cash transfers of loans to other real estate owned	\$ 9,936	\$ 24,489

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

RAYMOND JAMES FINANCIAL, INC. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)  
March 31, 2011

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Raymond James Financial, Inc. ("RJF") and its consolidated subsidiaries that are generally controlled through a majority voting interest. RJF is a holding company headquartered in Florida whose subsidiaries are engaged in various financial service businesses; as used herein, the terms "our," "we" or "us" refer to RJF and/or one or more of its subsidiaries. In addition, we consolidate any variable interest entity ("VIE") in which we are the primary beneficiary. Additional information on these VIEs is provided in Note 7 of these Notes to Condensed Consolidated Financial Statements. When we do not have a controlling interest in an entity, but we exert significant influence over the entity, we apply the equity method of accounting. All material intercompany balances and transactions have been eliminated in consolidation.

Certain financial information that is normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") but not required for interim reporting purposes has been condensed or omitted. These unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments necessary for a fair presentation of the consolidated financial position and results of operations for the interim periods presented.

The nature of our business is such that the results of any interim period are not necessarily indicative of results for a full year. These unaudited condensed consolidated financial statements should be read in conjunction with Management's Discussion and Analysis and the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended September 30, 2010, as filed with the United States of America ("U.S.") Securities and Exchange Commission (the "2010 Form 10-K"). To prepare condensed consolidated financial statements in conformity with GAAP, we must make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and could have a material impact on the condensed consolidated financial statements.

Update of Significant Accounting Policies

A summary of our significant accounting policies is included in Note 1 on pages 79 – 90 of our 2010 Form 10-K. Other than as discussed below, there have been no significant changes in our significant accounting policies since September 30, 2010.

As of October 1, 2010, we implemented new Financial Accounting Standards Board ("FASB") guidance regarding the consolidation of VIEs. This new guidance changes the approach to determine a VIE's primary beneficiary from a quantitative assessment to a qualitative assessment designed to identify a controlling financial interest. This new guidance also increases the frequency of required assessments to determine whether we are the primary beneficiary of any VIEs to which we are a party. Upon adoption of this new guidance, we deconsolidated two low-income housing tax credit ("LIHTC") funds where we determined we are no longer the primary beneficiary, and consolidated two other LIHTC funds where we determined we are the primary beneficiary under the new guidance. See Note 7 for further discussion.

At December 31, 2010, we implemented new FASB guidance which requires enhanced disclosures about our allowance for loan losses and credit quality of our financing receivables. See Note 6 which contains the additional

disclosures required under this new guidance specifically pertaining to the financing receivables arising from our bank subsidiary, Raymond James Bank, FSB (“RJ Bank”), including certain additional accounting policy information regarding such balances not previously included in Note 1 – Summary of Significant Accounting Policies on pages 79 – 90 of our 2010 Form 10-K.

We also have certain financing receivables that arise from businesses other than our banking business, which are within the scope of the new accounting guidance. Specifically, we make loans to financial advisors and certain revenue producers, primarily for recruiting and retention purposes. Our accounting policies governing this activity, including our policies for determining the allowance for doubtful accounts, are described in Note 1 page 85 of our 2010 Form 10-K. As of March 31, 2011, the outstanding balance of these loans is \$224 million, with a related allowance for doubtful accounts of \$9.3 million, which are included within Other Receivables on our Condensed Consolidated Statements of Financial Condition. Based upon the nature of these financing receivables, we do not analyze this asset on a portfolio segment or class basis. Further, the aging of this receivable balance is not a determinative factor in computing our allowance for doubtful accounts, as concerns regarding the recoverability of these loans primarily arises in the event that the financial advisor becomes no longer affiliated with us. Of the loan balance referred to above, the portion of the balance associated with financial advisors who are no longer affiliated with us, after consideration of the allowance for doubtful accounts, is approximately \$1.9 million.

#### Reclassifications

Certain other prior period amounts, none of which are material, have been reclassified to conform to the current presentation.

#### NOTE 2 - CASH AND CASH EQUIVALENTS, ASSETS SEGREGATED PURSUANT TO REGULATIONS, AND DEPOSITS WITH CLEARING ORGANIZATIONS

Our cash equivalents include money market funds or highly liquid investments not held for resale with original maturities of 90 days or less. For further discussion of our accounting policies regarding assets segregated pursuant to regulations and other segregated assets, see Note 1 on page 80 of our 2010 Form 10-K.

The following are financial instruments that are cash and cash equivalents or other investment balances which are readily convertible into cash:

	March 31, 2011	September 30, 2010	
	(in thousands)		
Cash and cash equivalents:			
Cash in banks	\$1,249,472	\$ 2,939,963	(1)
Money market investments	5,696	3,276	
Total cash and cash equivalents (2)	1,255,168	2,943,239	
Cash and securities segregated pursuant to federal regulations and other segregated assets (3)	2,406,869	3,430,715	(1)
Deposits with clearing organizations (4)	76,523	76,488	
	\$3,738,560	\$ 6,450,442	

(1) At September 30, 2010, cash and other segregated assets included additional amounts in order for RJ Bank to meet point-in-time regulatory balance sheet composition requirements related to its qualifying as a thrift institution. The cash in banks and other segregated assets balances at September 30, 2010 included an additional \$1.8 billion and \$1.3 billion, respectively, resulting from the September 30, 2010 point-in-time requirement. See Note 22 on page 130 of our 2010 Form 10-K for discussion of the September 30, 2010 point-in-time requirement.

(2)

Of the total, includes \$425 million of RJF Parent Company cash and cash equivalents (invested on behalf of the RJF Parent Company by one of its subsidiaries) as of March 31, 2011. At September 30, 2010, the RJF Parent Company had \$287 million in cash and cash equivalents (see Note 26 on page 135 of the 2010 Form 10-K for further information).

- (3) Consists of cash and cash equivalents maintained in accordance with Rule 15c3-3 of the Securities Exchange Act of 1934. Raymond James & Associates, Inc. ("RJ&A"), as a broker-dealer carrying client accounts, is subject to requirements related to maintaining cash or qualified securities in a segregated reserve account for the exclusive benefit of its clients. Additionally, Raymond James Ltd. ("RJ Ltd.") is required to hold client Registered Retirement Savings Plan funds in trust. The \$1.3 billion in other segregated assets at September 30, 2010 related to the point-in-time regulatory balance sheet composition requirements mentioned above was held as collateral by the Federal Home Loan Bank of Atlanta ("FHLB") securing an overnight advance. On October 1, 2010, the advance was repaid.
- (4) Consists of deposits of cash and cash equivalents or other short-term securities held by other clearing organizations or exchanges.

#### NOTE 3 - FAIR VALUE

For a further discussion of our valuation methodologies for assets, liabilities measured at fair value, and the fair value hierarchy, see Note 1 pages 81 - 84 in our 2010 Form 10-K.

There have been no material changes to our valuation methodologies since our year ended September 30, 2010.

Assets and liabilities measured at fair value on a recurring basis are presented below:

March 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1) (1)	Significant Other Observable Inputs (Level 2) (1)	Significant Unobservable Inputs (Level 3) (in thousands)	Netting Adjustments (2)	Balance as of March 31, 2011
Assets:					
Trading instruments:					
Municipal and provincial obligations	\$ 2,048	\$ 147,694	\$ 5,688	\$ -	\$ 155,430
Corporate obligations	8,421	52,315	-	-	60,736
Government and agency obligations	20,556	21,555	-	-	42,111
Agency mortgage-backed securities ("MBS") and collateralized mortgage obligations ("CMOs")	209	165,011	-	-	165,220
Non-agency CMOs and asset-backed securities ("ABS")	18,047	5,801	3,921	-	27,769
Total debt securities	49,281	392,376	9,609	-	451,266
Derivative contracts	-	74,659	-	(55,851 )	18,808
Equity securities	50,669	372	1,925	-	52,966
Other securities	694	5,909	-	-	6,603
Total trading instruments	100,644	473,316	11,534	(55,851 )	529,643
Available for sale securities:					
Agency MBS and CMOs	-	178,513	-	-	178,513
Non-agency CMOs	-	174,346	800	-	175,146
Other securities	11	-	-	-	11
Total available for sale securities	11	352,859	800	-	353,670
Private equity and other investments:					
Private equity investments	-	-	157,046 (3)	-	157,046
Other investments	149,519	847	45	-	150,411
Total private equity and other investments	149,519	847	157,091	-	307,457
Other assets	-	-	25	-	25
Total	\$ 250,174	\$ 827,022	\$ 169,450	\$ (55,851 )	\$ 1,190,795
Liabilities:					
Trading instruments sold but not yet purchased:					
Municipal and provincial obligations	\$ -	\$ 869	\$ -	\$ -	\$ 869
Corporate obligations	65	8,017	-	-	8,082

Edgar Filing: RAYMOND JAMES FINANCIAL INC - Form 10-Q/A

Government obligations	71,438	-	-	-	71,438
Agency MBS and CMOs	4	1,034	-	-	1,038
Total debt securities	71,507	9,920	-	-	81,427
Derivative contracts	-	54,961	-	(48,428 )	6,533
Equity securities	19,670	141	-	-	19,811
Total trading instruments sold but not yet purchased	91,177	65,022	-	(48,428 )	107,771
Other liabilities	-	16	42	-	58
Total	\$91,177	\$ 65,038	\$ 42	\$ (48,428 )	\$ 107,829

- (1) We had no significant transfers of financial instruments between Level 1 and Level 2 during the period ended March 31, 2011. Our policy is to use the end of each respective quarterly reporting period to determine when transfers of financial instruments between levels are recognized.
- (2) We have elected to net derivative receivables and derivative payables and the related cash collateral received and paid when a legally enforceable master netting agreement exists.
- (3) Includes \$85.7 million in private equity investments of which the weighted-average portion we own is approximately 21%. The portion of this investment we do not own becomes a component of Noncontrolling Interests on our Condensed Consolidated Statements of Financial Condition, and amounted to \$67.9 million of that total as of March 31, 2011.

September 30, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1) (1)	Significant Other Observable Inputs (Level 2) (1)	Significant Unobservable Inputs (Level 3) (in thousands)	Netting Adjustments (2)	Balance as of September 30, 2010
--------------------	--	---	--	----------------------------	-------------------------------------