

NORCAL INSIDER

A LOOK INSIDE THE COMPANY AND CULTURE OF RAYMOND JAMES
IN NORTHERN CALIFORNIA

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Welcome to the expanded NorCal Insider. This new format provides ample room for more in-depth coverage of what makes Raymond James & Associates unique among firms. Whether you are ready for a change or simply curious about why we seem to dominate the recruiting landscape, there are many answers here.

One thing is certain: Now more than ever in my two decades as a manager, advisors are disillusioned and disappointed in their firms. The vast majority complain at the coffee pot, shake their heads and saunter back to their desks. Only a few will decide to look around, and the competition for their attention is fierce. I can't help but imagine carnival barkers yelling, "Join us for more of the same!" There is simply not that much difference among wirehouse firms, and to change a business card without changing the opportunity doesn't seem worth the effort.

Our goal with this publication is to help you more fully understand the meaningful differences found at Raymond James. We want to help you grasp how much faster you can achieve your professional objectives when the headwinds

you face today are replaced with the tailwinds of trust, support and freedom.

I hope you find value here. More importantly, I hope you will allow us the privilege of bringing Raymond James to life for you. Invest the time to get to know us and I'm confident you will share my belief that the secret to our success begins and ends with our unwavering commitment to our advisors.

All my best,



NATHAN CLAKLEY, MBA

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A TALK WITH THE BOSS

> Raymond James Financial CEO Paul Reilly provides insight on the firm's culture, strategy and stalwart investment in the future.

> YOU'VE DONE A GREAT JOB DEFINING THE VISION OF RAYMOND JAMES AS BEING "THE PREMIER ALTERNATIVE TO WALL STREET." AS CEO, YOU HAVE A PRIMARY RESPONSIBILITY TO HELP EXECUTE ON THIS VISION. HOW DO YOU DELIVER?

This is definitely a team effort by everyone at our firm – it's the idea of having all the capabilities of our largest competitors, within a client-first culture.

In terms of capabilities, we have to focus on continuous growth, because growth is a virtuous cycle that allows us to continuously reinvest in the technology, people and processes that help us respond to a constantly changing environment.

That said, our growth has to be grounded in the client-first culture that has defined us and is the basis for our success. We believe the best way to serve end clients well is to serve their advisors well, treating them as our clients. It's an approach that results in high advisor and client satisfaction, and is something we're extremely proud of.

It's no coincidence that I typically start and end every presentation I give by talking about our values of client first, independence, integrity and conservatism. We all need regular reminders to ensure we don't get off course, even as we continue to evolve the business.

> LOOKING ACROSS THE COMPETITIVE INDUSTRY LANDSCAPE, WHAT DO YOU THINK IS GOING TO SET RAYMOND JAMES APART IN THE INDUSTRY? WHAT DO YOU SEE AS THE DEFINING FEATURE IN TERMS OF SERVICE, CULTURE OR EXPERTISE?

Our focus on supporting the advisor-client relationship is the key to our competitive advantage, whether you're comparing us to the more traditional firms, or to technology-driven "robo" platforms. We believe the benefit Raymond James offers to investors isn't about the firm, it's about the advisor they work with.

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Paul Reilly
CEO, Raymond James Financial



“I love that I can be in a meeting with people from all over the firm talking about a new product or service or a business change and inevitably someone will ask the question: What does this mean to clients?”

When we make decisions at the corporate level, we are hyper-focused on supporting advisors and their clients. Honestly, this often makes the job for our associates more difficult – it would be easier to just make a change and move on, let the chips fall where they may. Instead, there’s a decided thoughtfulness to our approach that I saw when I joined the firm ... it’s the Raymond James way. Associates at all levels are trying to think through potential impacts before they happen and consider questions clients and advisors will have before they have them.

Of course, we must respond to changes in our environment – from regulation to technology to client expectations – so we will remain a competitive partner for advisors and their clients, as well as a reasonably profitable investment for our shareholders. But if we focus on doing things thoughtfully and with great consideration for advisors and their clients, we can evolve even as we remain rooted in the culture that has been, and will continue to be, our competitive advantage.

➤ **THE FIRM CONTINUES TO INVEST IN TECHNOLOGY, SPECIFICALLY TECHNOLOGY FOR ADVISORS AND THEIR CLIENTS. HOW DO YOU THINK THIS WILL HELP BETTER OUR FIRM AND OUR ADVISORS?**

Well, first of all, there’s an imperative to invest in technology – access to information and the ability to perform tasks online is critical to our daily lives, and protecting electronic data is a huge part of being a corporation in today’s world.

But our technology investments definitely go beyond the “keeping the lights on” baseline, and there’s a lot to be excited about. Our approach is to create tools to empower advisors – to automate tasks that should be automated, to offer insights based on data that will help advisors meet the sophisticated needs of their clients, and to increase the ability for advisors and their clients to collaborate using technology.

The goal is to give advisors more tools, insights and time to connect with clients and understand their unique needs

– which is what the best financial advice is based on – as well as more tools to effectively meet those needs. Again, it’s about supporting the advisor-client relationship.

➤ **AS YOU LOOK FORWARD TOWARD THE NEXT DECADE, HOW IS RAYMOND JAMES POSITIONED TO MANAGE THE CONSTANT CHANGES OUR INDUSTRY PRESENTS?**

There’s a reason Raymond James was one of the few firms that navigated through the financial crisis, not only surviving, but thriving. It’s our management approach and our long-term view, but also our willingness to adapt and do the work necessary to meet demands, whatever they are.

The year I joined the firm – 2009 – wasn’t the best year in financial services industry history, to say the least. (I have impeccable timing.) But it was the most successful recruiting year in Raymond James’ history. Yes, advisors were fleeing failing firms and we were a haven for them, but I think part of what we saw was our associates really step up. They were working under extreme circumstances – their peers at competitor firms were losing their jobs, there were compensation and hiring freezes at Raymond James so we wouldn’t have to take that next step – but they didn’t back down from the challenge of bringing on all these advisors. They saw the opportunity to introduce a different way of doing business to them, and made it happen.

That ethic is why we’ve successfully integrated firms like Morgan Keegan and Alex. Brown. It’s why we continue to innovate and introduce new technology tools to advisors. It’s an attitude that permeates the firm, and is one of the reasons I have confidence in our ability to not only react to changes, but take advantage of them in a way that helps advisors and their clients be even more successful.

➤ **RAYMOND JAMES HAS PROVEN TO BE SUCCESSFUL WITH INTEGRATING ACQUISITIONS WHILE MAINTAINING THE STRONG CULTURAL VALUES OF THE FIRM. HOW**

DO YOU PLAN TO CONTINUE TO FEEL SMALL AS YOU APPROACH 7,200 ADVISORS AND CONTINUE TO GROW?

Raymond James has emerged as a well-recognized player in the wealth management industry over the last 10 to 15 years, and that idea of the premier alternative to Wall Street we talked about previously has really resonated with advisors, leading to successful recruiting, as well as high retention of advisors when we combine with other firms, and – even more important – ongoing retention of existing advisors.

That growth is great, but it does bring the challenge of maintaining culture. How can you offer the same level of service to 7,200 advisors and their clients that you did to half that many? How can you ensure the support associates we hire today will have the same commitment to our Service 1st philosophy that those who have been with us 20 years demonstrate?

I'd say it's a matter of attitude, not size. It's a discipline of staying focused on our core values and how we manage the business. Of communicating – repeatedly – what is important and then demonstrating – consistently – that it's not just talk.

I love that I can be in a meeting with people from all over the firm talking about a new product or service or a business change and inevitably someone will ask the question: What does this mean to clients?

That focus on clients really defines Raymond James and is the litmus test for everything we do. Being in those meetings and hearing questions like that tells me we're doing something right. We're not perfect, and we make mistakes, but we start from the right place.

We're focused on growth, yes. But you don't continue to grow if you make short-term decisions that don't first consider the people you're serving ... eventually those kinds of choices come back around, usually with not-so-great consequences.

I'm confident that the foundation Bob James created and that Tom built this great company on will continue to be the reason for our ongoing success. It's worked for more than half a century; I don't see any reason to change the fundamental principles that got us where we are today. ■

OUR MISSION

Our business is people and their financial well-being. Therefore, in the pursuit of our goals, we will conduct ourselves in accordance with the following precepts:

Our clients always come first. We must provide the highest level of service with integrity.

Assisting our clients in the attainment of their financial objectives is our most worthy enterprise.

We must communicate with our clients clearly and frequently.

Our investments and services must be of superior quality.

Teamwork – cooperating with and providing assistance and support to our fellow associates – is fundamental to sustaining a quality work environment that nurtures opportunities for unparalleled service, personal growth and job satisfaction.

Continuing education is necessary to maintain the timeliness of investment knowledge, tax law information and financial planning techniques.

Innovation is requisite to our survival in a changing world.

To emulate other members of our industry requires us to continue to work hard; to excel beyond our peers requires us to provide an even higher caliber of service to our clients.

We must give something back to the communities in which we live and work.



BUILDING YOUR BEST BUSINESS

MAKING THE MOST OF OUR PRACTICE MANAGEMENT SUPPORT TO GROW YOUR BUSINESS AMID INDUSTRY CHANGES

There are so many ways to run a business. Every advisor's approach is unique, whether you specialize in serving the ultra-high net worth, a specific niche like doctors or attorneys or athletes, or if your client roster is more diverse.

There are just as many ways to grow a business. From sharing best practices with peers to creating an annual (or even quarterly) process for refining your overall business plan, practice management is the sum total of the steps you're already taking and the new steps you can incorporate to help you build your best business – especially as the regulatory landscape is evolving in response to the Department of Labor's fiduciary rule.

At Raymond James, helping advisors on that path is why we created PCG Education & Practice Management. The group focuses on providing advisors with the best available tools and resources to help manage a practice effectively and accelerate business growth – all while ensuring you have the flexibility and support to grow your business on your terms.

Centered on a phased, but flexible, practice management model, the approach enables you to focus on your business's "areas of greatest need" while following the steps chronologically, if that's what works best for you, or jumping ahead or revisiting previous phases as your practice evolves.

To complement the practice management model, several key resources and services are available to support advisors' growth.

Practice Intelligence

Our award-winning Practice Intelligence website is a one-stop resource that covers all facets of running a practice, from diagnostic tools to insights from top advisors, partner firms and other industry experts.

Coaching and Business Consulting

Our proprietary coaching and business consulting process can help you identify key areas of opportunity within your practice and create the accountability to help you stay on track.

Branch Education

In addition to branch professional tracks at our national and regional conferences, Raymond James offers other programs designed specifically for branch professionals to help ensure support teams have the resources they need to be most effective.

To help you take the first step in your own practice management journey, we've developed a few tips geared specifically toward reflecting on where you are now and what you can do to grow your business in the year ahead.

- 1** **DEVELOP AND DEFINE YOUR ADVISORY PROCESS.** While the future of the DOL's fiduciary rule is unclear, defining and documenting the approach you take to helping clients and the services you provide can still be a powerful step in reaffirming your mission and setting new goals.
- 2** **MAKE STRATEGIC BUSINESS PLANNING AN ANNUAL EVENT.** Schedule time to reflect on your near- and long-term business plan, and consider making a yearly habit of reviewing and refining your practice.
- 3** **FOCUS ON FIT.** To stand out in a "sea of sameness," differentiate yourself to appeal to your natural market. These are the clients that best fit you and your business, the ones you enjoy working with most, the ones you are best suited to serve, and the ones you should center your marketing and prospecting efforts on. ■



Why Raymond James? We do what we've done all along. And we do it right.

It's about core value and commitment. Our firm regularly conducts surveys with advisors across the industry, and in spring 2017, we asked 743 external employee/independent/institutional-affiliated advisors*, "If something happened to your firm today and you had to choose a different firm, which firm would you choose?"

THIS TABLE DISPLAYS THE FIRMS SELECTED MOST OFTEN FOR CONSIDERATION AND IS BROKEN DOWN BY VARIOUS ADVISOR TYPES.

Date Surveyed	Overall Advisor Consideration	Female	Male	Under 55	Over 55	Wirehouse
Summer 2013	LPL Financial	LPL Financial	LPL Financial	LPL Financial	Raymond James / LPL	Wells Fargo Advisors
Winter 2013	Wells Fargo Advisors	Morgan Stanley	LPL Financial	LPL Financial	Wells Fargo Advisors	Wells Fargo Advisors
2014	Raymond James	Wells Fargo	Raymond James	LPL Financial	Raymond James	Wells Fargo Advisors
2015	Raymond James	Raymond James	Raymond James	Raymond James	Raymond James	Raymond James
2016	Raymond James	Raymond James	Raymond James	Raymond James	Raymond James	Raymond James
2017	Raymond James	Raymond James	Raymond James	Raymond James	Raymond James	Raymond James

*Survey administered to competitors in the United States and conducted in spring 2017 by Martin Williams Advertising of Minneapolis. The intent of the study was to gather characteristics that were important to non-Raymond James advisors, and capture how these individuals view Raymond James relative to competitors. 34,642 external advisors were surveyed with 743 qualified responses from the across the U.S.



Desire for freedom positioned Shannon Bennett as the first to join Raymond James & Associates in Marin County

Shannon Bennett and her now-retired partner, Vicki Gray, were the first to join Raymond James & Associates' Marin County office in April 2015. In this interview, Shannon talks about that experience, the challenges then, and what makes Raymond James the right firm for her practice today and tomorrow.



“Our management team believes that the answer to the vast majority of challenges begins with finding a way to better support the advisor. That starts with listening to us, then developing and executing a plan of attack.”

Q. TO BE THE FOUNDING MEMBER OF OUR SAN RAFAEL OFFICE TOOK COURAGE. TELL US ABOUT THAT.

A. My mantra is “life begins at the end of your comfort zone,” and I had to remind myself of that frequently as we moved from our comfortable offices to an executive center to become the first employees for Raymond James & Associates in Marin. Take the typical surprises that accompany any transition and add the unexpected logistical challenges of opening a new office location and you have a recipe for a significant learning experience. I think in retrospect, I underestimated the difficulty of combining a transition with being the first advisors to say “yes” to joining a firm that really had no presence in Marin County.

I moved for many reasons, but one significant motivation was to create a succession strategy that protected my retiring partner. Any challenges we experienced were far outweighed by the ability to implement a fair, flexible succession plan that allowed my partner to retire with dignity and trust. Our prior firm had very specific and regulated rules about succession that would not have offered any protection to my partner if I'd left the firm. This type of “agreement” that stifles freedom and choice is precisely the reason we moved to a place that offered just the opposite.

Our transition probably took longer than it could have because our learning curve was steep, some of the technology didn't play well in the executive center and we had a last minute staffing surprise that didn't make matters easier. However, I learned early on that every time we had an issue, the firm immediately committed resources to make things right. They lived up to their promises.

Q. WE TALK A LOT ABOUT OUR CULTURE. HOW HAVE YOU FOUND THE CULTURE AT RAYMOND JAMES?

A. Our firm is often praised for its culture, and I can confirm that I love this place. I think, however, that focusing on the word “culture” sells us short. I think our culture is created and sustained by our philosophy that rests at the very core of our firm.

Q. PHILOSOPHY?

A. Actions speak louder than words. Based on everything I have seen in my two years here, our management team believes that the answer to the vast majority of challenges begins with finding a way to better support the advisor. That starts with listening to us, then developing and executing a plan of attack. This stands in stark contrast to every other firm I know where the favorite tool to address almost any challenge is a quick change to the payout grid.

In just the past two years I've been asked to participate on two firm-wide councils: our Technology Council and the Women's Advisory Council. These are both working councils with full participation of

senior management. They are a testament to the way the firm is run – by listening to the people who work with clients every day. Can I add something else here?

Q. SURE.

A. I know many advisors reading this interview simply cannot grasp the profound difference there is to work at a firm with our culture of support. Here's an excellent example of how we are different.

Right now I'm working with our marketing department to design a new image for my practice. In this industry, advisors are under intense pressure to stand out, and Raymond James gives me the freedom to create a unique identity rather than the cookie-cutter, one page site I had at a prior firm. The marketing department is designing a custom rebranding of my practice, which is a long process but will result in a unique website, logo, brand and social media presence. I'm stepping outside the box

with this project, and Raymond James has been really supportive in this effort.

Q. FINAL THOUGHTS?

A. I would encourage advisors who may be wondering if we really are as different as we claim to be to check us out. Things really are progressive and innovative here, and as an advisor you have the freedom, support and technology to grow your practice.

Finally, I love how much we've grown. I love that I have a great branch manager and wonderful support staff. I love that I can tell my clients the CEO is visiting the Bay Area, and I will be among the people who see him. I love that our presence on the West Coast is expanding and that I see our national ads. Finally, I love that I can talk to clients about Raymond James with pride and confidence.

THANK YOU. ■

COMPLEX KUDOS

A LOOK AT RECENT PROFESSIONAL AND PERSONAL MILESTONES FOR THE NORCAL FAMILY

HAPPY ANNIVERSARY!

15 Years

Ana Pequenezza | *Registered Service Associate, San Francisco*

10 Years

Steve Peters | *Financial Advisor, Walnut Creek*

Shams Deitrick | *Financial Advisor, Walnut Creek*

5 Years

Jane Rutledge | *Registered Service Associate, Walnut Creek*

Mike Grover | *Branch Manager, Modesto*

Rob Powell | *Financial Advisor, Modesto*

Jan Constable | *Service Associate, Modesto*

Linda Carranza | *Service Associate, Modesto*

Abu Farukh | *Financial Advisor, San Francisco*

Misty Farukh | *Financial Advisor, San Francisco*

WELCOME ABOARD!

Livia Ortiz joined the San Rafael branch as a receptionist and operations specialist.

Andrew Clakley joined the San Rafael branch as a registered service associate.

Justin Grover joined the Modesto branch as a financial advisor trainee.

CONGRATULATIONS!

Ila Dela Merced, service associate in Walnut Creek, and her husband welcomed son Leo on November 2.

Lacey Brook, service associate in Walnut Creek, and her husband welcomed daughter Isla on August 19.

Livia Ortiz, operations specialist in San Rafael, became a citizen of the United States in February.

Andrew Clakley, registered service associate in San Rafael, passed his Series 66.

Justin Adams moved to the San Rafael branch from the San Francisco branch.

Justin Grover, financial advisor trainee in Modesto, passed his Series 7 and 66.

Misty Farukh, a financial advisor with Golden Gate Wealth Management of Raymond James, was a panelist at the SIFMA Social Media and Digital Marketing Seminar held in San Francisco and was interviewed for a Hearsay Social podcast.

RAYMOND JAMES AT-A-GLANCE

Raymond James has delivered **117 consecutive quarters of profitability**.^{*} We credit much of this performance to the firm’s client-first perspective and adherence to its founding core values of professional integrity, advisor independence, and a conservative, long-term approach to investing. We are not owned by a bank – in fact, we own one that is solely dedicated to serving the needs of our advisors and their clients. And we have never received a government bailout.



BY THE NUMBERS:

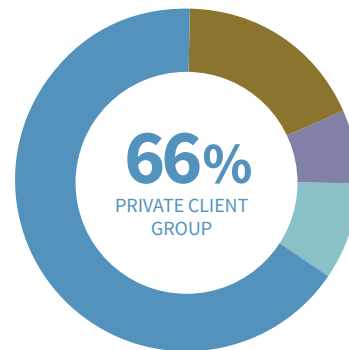
- Approximately **7,200** financial advisors
- Over **2,900** locations (United States, Canada and abroad)
- More than **3 million** client accounts
- Approximately **\$643 billion** in total client assets
- BBB+, **positive outlook credit rating** (S&P)

HONORS AND ACCOLADES

In June 2016, Raymond James technology was named a finalist in WealthManagement.com’s Industry Awards for the firm’s Client Reporting application.

In February 2016, M&A Advisor named the Raymond James Investment Banking practice “Investment Banking Firm of the Year” for the second year in a row at the M&A Advisor Turnaround Awards.

In December 2015, Raymond James & Associates ranked first for advisor satisfaction on WealthManagement.com’s 2015 Broker Report Card.



2016 TOTAL REVENUE BY PRIMARY SEGMENTS

Total revenue shows fiscal year data ending 9/30/2016.

- Private Client Group 66%
- Capital Markets 18%
- Asset Management 7%
- Raymond James Bank 9%

^{*}As of 3/31/2017. Past performance is not an indication of future results. WealthManagement.com’s 2015 Broker Report Card is based on an online survey going to print and web subscribers and advisors in the Meridian-IQ database at the six largest national brokerage firms. Brokers rated their current employer across almost 50 factors on a 1-to-10 scale, with 10 representing the highest level of satisfaction. 1425 responses were received and weighted in determining advisor satisfaction. The information provided is for informational purposes only and is not a solicitation to buy or sell Raymond James Financial stock. The 2016 WealthManagement.com’s Industry Award is based upon completion of a nomination application and a survey of financial advisors across all advisory channels of their applied experiences with vendors. Selection using this information is determined by a panel of judges made up of top names in the industry who award winners in more than 60 individual categories. The M&A Advisor awards recognize excellence in deal making, restructuring and financing and celebrate the contributions and achievements of leading firms and professionals. A credit rating of a security is not a recommendation to buy, sell or hold securities and may be subject to review, revisions, suspension, reduction or withdrawal at any time by the assigning rating agency.

FINANCIAL ADVISOR BILL OF RIGHTS

You own your client base, including the right to sell it.*

You develop and operate your practice with our assistance, not constraints.

You're free to work with your clients, without regard to account size or asset levels, while respecting existing Raymond James advisor-client relationships.

You have access to world-class resources and personalized attention from a firm that puts the focus on you.

You can count on our financial strength to support your business, even when the marketplace is challenging.

You benefit from the stability of our firm, a public company traded on the New York Stock Exchange.

You are never influenced to do anything that's not in your clients' best interests – no sales quotas, account size restrictions or product pushes designed to influence your decisions.

You're entitled to enthusiastic support from associates throughout the Raymond James organization.

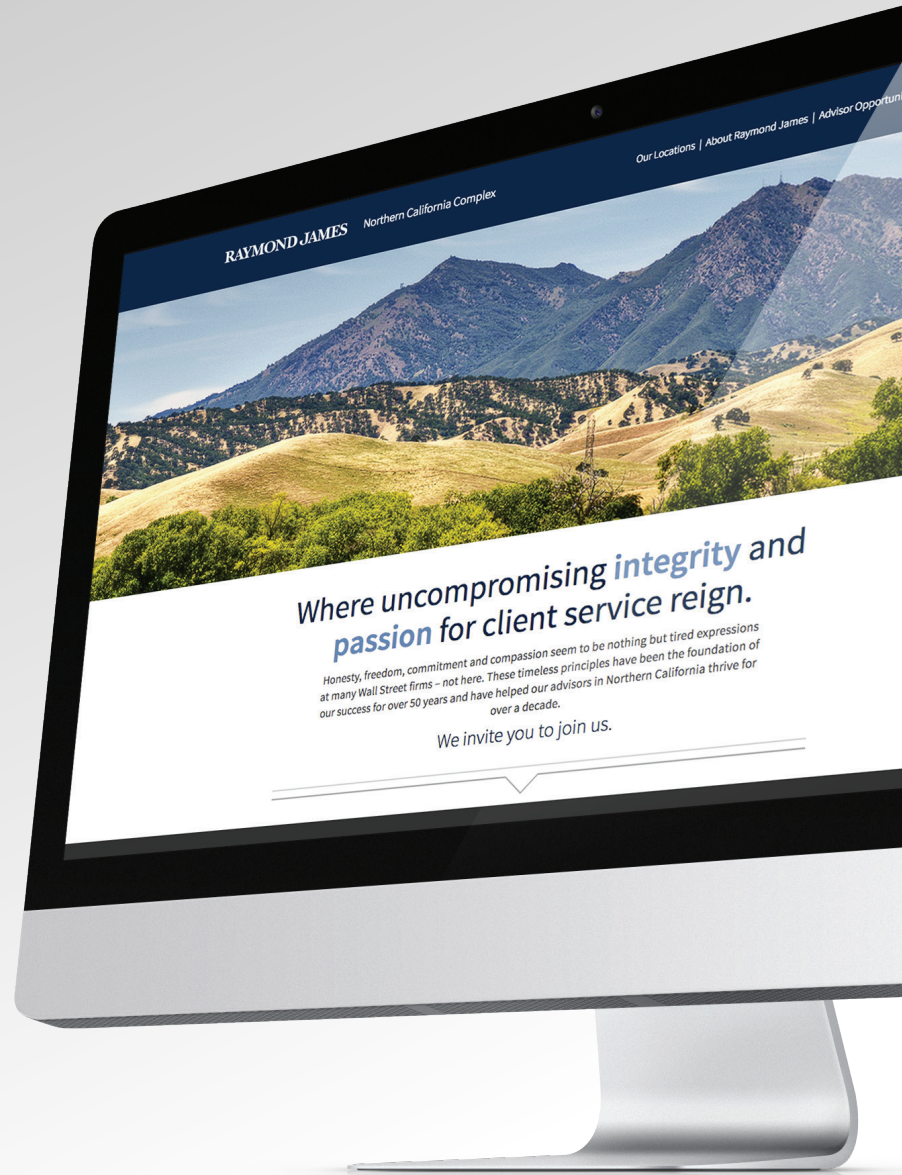
You will be fairly compensated, and can expect a consistent pay schedule with straightforward, transparent commission architecture and no holdbacks on dealer allowances.

Trust. Support. Freedom.

Find out more about how a business can be built on these ideals.

norcalrj.com

If you'd like to learn more about Raymond James, or if you'd simply like to get a better sense for the unique atmosphere we've created here in Northern California, we invite you to contact us.



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