

NORCAL INSIDER

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

↑ MANAGER'S LETTER

↑ ADVISOR Q&A

↑ COMPLEX UPDATES

↑ RAYMOND JAMES AT-A-GLANCE

↑ ADVISOR BILL OF RIGHTS



TALK WITH DENNIS

Q&A with COO Dennis Zank
» page 4



CRAFT BEER NICHE

Brewprint Advisors finds
blueprint for success
» page 9



The test of time

The story of Raymond James profitability

Is it possible to build profitability on a historic loss of profit? In the case of Raymond James, the answer is yes. That’s because the company was able to turn what was a loss at the time into a big win in demonstrating its dedication to customer service.

When a company says it is dedicated to putting client needs first – even above those of the firm itself – you need merely look at history to prove the validity of the claim. Case in point: When the Dow plunged 508 points on October 19, 1987 – also known as Black Monday – then CEO and current Chairman Emeritus Tom

James refused to close the trading desks so clients wouldn’t be stuck in their positions. As a result, Raymond James sacrificed its own profitability in order to protect clients and preserve their assets.

Since 1987, Raymond James has delivered **122* consecutive quarters of profitability**. The firm credits much of this performance to its client-first perspective and adherence to founding core values of professional integrity, advisor independence and a conservative, long-term approach to investing.

STOCK PRICE



It is fun to work at a growth firm, and I’m proud to announce that on June 1 we added Santa Rosa to our complex. Advisors Linda Pardini and Doug Wulbrecht, along with their amazing support team, Alicia Carinalli and Alexis Smith, are the founding members of that office. A few weeks later, advisor Paul Dorsey and his assistant, Jennifer Ha, joined our San Francisco office. Rest assured there are more to come.

No one uses the words “easy” or “fun” to describe the process of transitioning a practice. Instead, I think it’s fair to say “stressful” and “hard work” are better descriptors. But that’s not stopping successful advisors across the country. Weekly they are realizing that there is no perfect time to move, and every indication is that tomorrow will not be better. They make the decision, work closely with us, and in, what looking back seems a very short period of time, live through the stress and the hard work to better their tomorrows and become a part of our amazing growth story.

Take your own look at Raymond James. I can assure you we are not the firm your manager tells you we are!

Finally, the very foundation of our culture rests on our unwavering commitment to practice ownership. This month, NorCal Insider features an interview with the architect of this commitment, Chief Operating Officer Dennis Zank. Dennis, who recently announced his retirement, shares his insights into our firm and changes facing our industry.

Continued Success,



NATHAN CLAKLEY, MBA

Senior Vice President, Investments
Northern California Complex Manager
nathan.clakley@raymondjames.com
925.952.5252

COMPLEX KUDOS

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

HAPPY ANNIVERSARY!

10 Years
Courtney Irwin, Branch Manager,
San Rafael

Darren Porras, Senior Registered Client
Service Associate, San Jose

WELCOME ABOARD!

Linda Pardini joined the Santa Rosa
branch as a Financial Advisor

Douglas Wulbrecht joined the Santa
Rosa branch as a Financial Advisor

Alicia Carinalli joined the Santa Rosa
branch as a Senior Registered Client
Service Associate

Alexis Smith joined the Santa Rosa
branch as a Senior Client Service Associate

Paul Dorsey joined the San Francisco
branch as a Financial Advisor

Jennifer Ha joined the San Francisco
branch as a Senior Registered Client
Service Associate

Tori Reyes joined the Walnut Creek
branch as a Client Service Associate

CONGRATULATIONS!

Dennis Szczesuil, RJ Bank Corporate
Banker in the San Francisco branch, and
his wife welcomed daughter Evelyn on
June 22

Lacey Brook, Client Service Associate in
the Walnut Creek branch, and her hus-
band welcomed son Jack on August 13

Tina Tran, Branch Operations Spe-
cialist in San Francisco, passed her
Notary exam



A CONVERSATION WITH THE COO

Raymond James Chief Operating Officer Dennis Zank provides insight on what makes Raymond James different than other financial services firms



If you want to know what truly separates Raymond James from the competition, just spend a few minutes with Dennis Zank, our COO. Dennis personally meets with more than 250 recruits each year across all our Private Client Group (PCG) channels. While this is a significant time commitment, his one-on-one meetings with top recruits help him shape the culture and operational priorities of Raymond James. We will not list all of Dennis’ responsibilities, except to let you know all the various leaders of our PCG platforms – RIA, Independent, traditional branches and hybrid models – report to him. Dennis has spent more than 30 years at Raymond James, including 10 years as president of the traditional PCG division.

Q. Our CEO Paul Reilly defines the vision of Raymond James as being “the premier alternative to Wall Street.” As COO, Dennis, how do you help deliver on this vision?

Our long-term success as a firm and our ability to recruit and retain top advisors have been the result of our ability to differentiate ourselves from our competition in the eyes of financial advisors. We knew 15 years ago that advisors were willing to leave major firms for simply the opportunity to take back control of their practice and manage their clients without interference.



In my previous role as president of our traditional branch platform, my strategy was pretty simple: truly listen to the best advisors from around the country and help shape Raymond James into the firm these advisors wanted to partner with. I started a personal goal to meet one-on-one with as many advisors as possible from every firm regardless of which Raymond James platform they were looking at. We categorized the intelligence I gathered from my FA visits into three buckets: 1) things other firms are providing that we have to match, 2) terrible ideas other firms are doing that we must avoid at all costs, and 3) business models that would positively differentiate us from Wall Street.

Q. You mentioned three buckets: the Good, the Bad and the Differentiators. Can you walk us through a few examples that drive your day-to-day strategy?

Sure, I’ll start with the good things. These are pretty consistent. Almost every advisor we talk with wants to make sure we can provide important industry tools at the same level or better than their current firm. We dedicate a significant amount of resources to be competitive in these three areas:

- Technology
- Investments
- Lending solutions

Dennis Zank
Chief Operating Officer

The bad things are my favorite discussion points because it is like watching the movie “Groundhog Day.” The same issues keep coming up over and over.

Complicated grids – We see 50-to-65-page grids from all the wirehouses. These are not broker-friendly, and most are designed to promote selling specific products or services in order to put more hooks into clients. I tell advisors all the time, if you want to understand your true grid, take your last W-2 and divide your income by your year-end production. Advisors are shocked that their payouts are so low compared to their grid from haircuts and small accounts. Our grid is simple and straightforward – around one page.

Annual compensation changes – We have advisors who are incensed that senior management openly talks on conference calls with shareholders about cutting payouts to fuel growth. Rarely do these annual grid changes result in more income and less work. Our grid historically only changes about every 10 to 12 years.

Account size minimums – I often hear the flawed logic that bigger relationships are more profitable. But what the consultants and non-producing managers have never experienced is how many relationships start small as a secondary advisor or new account before growing big. When you push tomorrow’s wealthy clients to discount firms, it will be hard to get them back. We view our advisors as smart enough to manage their own account size minimums.

1-800-Everything – Advisors work with clients who at times have real problems and concerns. They call the advisor for help and then the advisor gets jerked around by online help desks or call centers, and it frustrates everyone. We pride ourselves on our advisors’ personalized access to senior management, traders, research and specialists.

“In my previous role as president of our traditional branch platform, my strategy was pretty simple: Truly listen to the best advisors from around the country and help shape Raymond James into the firm these advisors wanted to partner with.”

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.

Past performance is not indicative of future results. The information provided is for informational purposes only and is not a solicitation to buy or sell Raymond James Financial stock.

Pricing discretion – This is a huge irritant. Firms hire great brokers and give them nice upfront packages, but then treat them like children when it comes to pricing the business, as though the advisors are not smart enough to price it on their own. We know that some clients should be charged full fees or commissions, while others require substantial discounts to service. Our model is based on the idea that our advisors determine the pricing on their clients’ trades and fee-based business without discounting penalties in their payout. Large discounts that need approval are approved at the branch level by branch managers.

Manager turnover – Have you ever asked why Wall Street likes to move managers around so often and avoids hiring many local managers? I think it is pure control from above. Just when the advisors break in a new manager and build a trusting relationship with one who becomes an advocate for the advisor, the manager gets promoted or demoted and moves. We prefer the stability of local hometown managers who are invested in their communities.

While it is surprisingly easy to copy what works well and avoid the big mistakes the other firms make, this will only make you the best in a sad bunch. In order to truly be the premier alternative to Wall Street, we have to differentiate ourselves. Over the past 12 years, we have implemented a few changes that really have set the tone for the culture of Raymond James and fundamentally differentiate us from our peers.

Book ownership – In 2003, we implemented FA book ownership. We put in writing that every individual advisor at Raymond James, as long as he or she is over \$300,000 in TTM, owns his or her book of business. Advisors are 100% free to leave Raymond James and take all clients with them. Our trust company even designed a policy that if an advisor leaves and the trust stays in Raymond James Trust, we will continue to pay the departed FA at his or her new firm. This contract with our advisors is not only a sign of respect for their business and relationship with their clients, but more importantly it is a message that the advisor is the client of Raymond James. It means we must provide the quality services needed to keep advisors at our firm. It is the main reason why we have the lowest attrition rate in the industry and the highest FA survey ratings in Registered Rep. magazine.

Broker choice – We have five business platforms, and our brokers are free to choose the best place to manage their business. We offer the full service branch, a hybrid independent platform with lots of support, a fully independent platform, an RIA platform and a bank-affiliated platform. All platforms have the same technology, research and products, but they are priced according to risk.

Brokerage firm owns bank – While many firms have been sold to or were forced into shotgun marriages with larger banks, Raymond James took a different approach. We bought a bank. Our bank has one branch and two ATMs, but it is sizable enough to offer FDIC insurance for our client deposits and allows us to be very competitive on all industry lending products. Since the brokerage firm owns the bank, we tell the bank what to do versus the bank telling the brokerage firm.

Great payouts versus big deals – We offer a very fair deal to join Raymond James, especially since we consider the book to be owned by the FA. We offer great payouts and deferred compensation plans to allow our FAs to grow wealthy honorably. Our philosophy is, “Why should we pay our existing advisors less money so that we can afford to offer bigger deals to outside advisors?” Our approach is to pay the most we can to our existing advisors to retain great advisors.

Q. These certainly set Raymond James apart from our competition. Is there anything else you would like to share that defines Raymond James as the “premier alternative to Wall Street”?

I would include two other points to consider when evaluating Raymond James. These two things are important to our culture.

First, we are a Private Client Group firm, meaning that close to 75% of all our revenues come from the PCG in some form or fashion. This is important because our management team wakes up every morning thinking about your business. Our firm was founded to serve individuals, and we take pride in the planning and investment work we do for the individual.

The second major point is our financial strength and our financial results. We just finished our 122nd consecutive record of quarterly profitability. This means we have been profitable every quarter since the stock market crash of 1987. (I will tell you the story of our negative quarter when you come visit.) Raymond James took no TARP or bailouts and did not have to convert to a bank. It is difficult enough to look out for your clients’ best interests in tough markets without worrying about your own firm’s liquidity or reputation.

Our financial results are another great source of pride. Please pull up your stock symbol and our stock symbol, RJF, and go back five, 10, 15, 20, 25 or 30 years and look at the results. Our employees and shareholders are very happy. ■



WHY MARKETING MATTERS

A CONVERSATION WITH LISA TURLEY

➤ Lisa Turley, senior vice president of advisor marketing at Raymond James, is well-versed in the whys, hows and wheres of helping advisors build their brands. For instance ...

➤ **WHY IS THE MARKETING OFFERING AT RAYMOND JAMES AN INDUSTRY STANDOUT?**

Raymond James Marketing delivers a unique branding solution no wirehouse or independent broker/dealer offers. We provide brand flexibility – the ability to create a unique brand rather than being limited to using only the Raymond James name – combined with the deep resources of an internal marketing agency. We understand the nuances of the business, which translates to a deeper understanding of how to differentiate a particular advisor or practice and create a compelling brand.

➤ **HOW DOES THAT DIFFER FROM WHAT’S AVAILABLE AT EXTERNAL ADVERTISING AND MARKETING AGENCIES?**

In addition to our team’s extraordinary creative talent, there are three key differentiators:

Advisors and internal departments are our only clients. Our team complements their design, writing, multimedia and strategic skills with a solid knowledge of the financial services industry and the specific needs of financial advisors. Many of our associates are Series 7-licensed.

Advertising Compliance is part of the agency and included in project discussions right from the start. When we present a concept, you can be confident Compliance has already given us the green light.

Finally, since we are not a profit center for Raymond James, **our pricing is typically lower than a traditional ad agency or external marketing professional.**

➤ **WHY IS IT IMPORTANT FOR ADVISORS TO HAVE – AND BUILD – A BRAND?**

Building and maintaining a strong brand is a great way to distinguish a practice and share a compelling value proposition, which can reduce price sensitivity and increase loyalty over time

– similar to the way a consumer is willing to pay a premium for BAND-AID® bandages over a generic brand.

When truly aligned with the practice, a brand helps establish expectations, convey an advisor’s unique expertise, and demonstrate their values and personality. A consistent – and consistently integrated – brand also increases the likelihood that current clients and centers of influence will refer potential clients who fit the practice’s “ideal client” description.

➤ **WHY HAS A BRAND’S ONLINE PRESENCE IN PARTICULAR BECOME SO IMPORTANT?**

Over 90% of potential clients who are referred to an advisor Google that advisor to begin their research. A consistent online brand (a website plus social media properties) can add value by allowing an advisor to own the results of that search, and it will position him or her well against other financial advisors a prospective client may be considering.

➤ **WHY, AT MINIMUM, SHOULD AN ADVISOR HAVE A WEBSITE?**

Today, nearly all businesses have a website or some type of web presence. This includes professional services providers like wealth managers, attorneys, CPAs, etc. Without a website, the authenticity or the stability of the business might be questioned – are you really who you say you are? A website has become table stakes rather than an option.

➤ **WHAT ROLE DOES SOCIAL MEDIA PLAY?**

Social media can help advisors develop stronger personal connections to clients. They can use insights gained from clients’ posts about family or personal events to drive personal interactions. And they can humanize their practices and demonstrate subject matter expertise by sharing informal and lifestyle-oriented content on Facebook, thought leadership on Twitter, and longer form content on LinkedIn. ■

The case for custom

A BRIEF SHOWCASE OF THE POWER OF BUILDING A WEBSITE THAT’S ALL YOUR OWN

Every practice is unique, and every day Raymond James Marketing develops websites (and much more) to help advisors communicate exactly what sets them apart. Here’s a look at three of our projects for three very different groups.



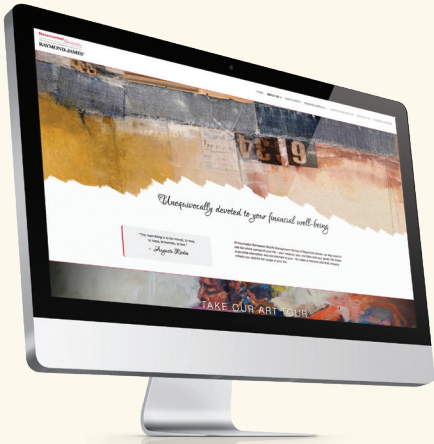
THE CLASSIC
QUATTUOR CAPITAL PARTNERS
raymondjames.com/quattuorcapitalpartners

Quattuor Capital Partners’ website was inspired by a classical master, Da Vinci, and the team’s location, Rockefeller Center. The team believes in crafting wealth management through a masterful blend of art and science, and with this concept leading the design, the interactive and artistic elements create a high-end dynamic that leaves a powerful impression on clients.



THE SOPHISTICATED
THE AMERICAS GROUP
raymondjames.com/theamericasgroup

The Americas Group website reflects their high-net-worth clientele and their office locations in Miami, Florida. Featuring two very different audiences – individuals and institutions – their home page allows for easy navigation. This website helps to further exemplify The Americas Group’s top-notch dedication to serving clients and their diverse planning needs.



THE STANDOUT
NEUNUEBEL BARRANTES WEALTH MANAGEMENT GROUP
raymondjames.com/neunuebelbarrantes

Neunuebel Barrantes Wealth Management Group’s tagline, “the art of investing,” exemplifies their right-brained approach to helping clients through the emotional and psychological aspects of investing, rather than seeing financial planning as a math problem. Their site reflects that approach as well as their passion for the local art community, including an “art tour” showcase of their own collection.

Explore more of our custom web work and all of the ways we support advisors at raymondjamesmarketing.com.

Brewprint finds blueprint for success

Raymond James Marketing helps advisor Mike Faircloth II, of Brewprint Advisors of Raymond James, build his niche in California’s craft brew industry.



Q. TELL US ABOUT BREWPRINT AND THE AUDIENCE YOU SERVE. HOW DID YOU IDENTIFY YOUR NICHE?

MICHAEL: Our team came over from Merrill Lynch/Bank of America in June 2017. About five years ago, I went through some extra coaching and realized there were a couple of niches I wanted to get into. I love craft beer and make beer myself. If I could find an excuse to go hang out at craft breweries and call it work, it seemed like it would be a happy place to be in life, so I decided I’d like to do something in that space.

After spending time with the people in the industry, a couple of things really came out. First, I loved the culture of this industry as much as I loved the product, but I also learned that about 98% of the breweries in California, despite the fact that they had this great love for employees, didn’t have any retirement options. So I thought, “Ah, this is something I can do!”

Q. WHAT MADE RAYMOND JAMES THE RIGHT FIRM FOR YOUR KIND OF BUSINESS?

MICHAEL: Marketing was definitely part of the deal with me moving to Raymond James – being able to work with marketing and building a plan around my presence in the California beer industry and how I could grow that in other states. The marketing team was responsive and offered a very collaborative process, so everything fit with what I was looking for. When I was looking at other firms, no other firm was like Raymond James from a culture standpoint or a willingness to work with you.

Q. WHAT WAS THE PROCESS OF WORKING WITH THE MARKETING TEAM? WHAT DID YOU PUT INTO IT AND WHAT DID YOU GET OUT OF IT?

MICHAEL: My conversation was focused on the Brewprint Advisors website. My account manager did a great job of letting me know where I was in the process and what the next step was. It was a good process that gave me the opportunity to help them understand the culture of the craft brew industry and how that needed to come out in the marketing.

Q. HOW DID YOU COME UP WITH THE NAME “BREWPRINT” AND THE LOGO?

MICHAEL: I struggled with a name for a while. I didn’t want to be pigeonholed in 401(k). I thought about it from an architectural perspective – like building a brewery from a blueprint, which my audience does. Then a friend came up with Brewprint – a financial blueprint for breweries. From a logo standpoint, I wanted something minimalistic, and what the marketing team came up with hit the mark exactly. The logo was important for me to be able to use consistently – that I can easily embroider it on a shirt, create a banner or use in sponsorship materials. It’s a look that’s easily associated with the beer industry.

Q. WHAT WOULD YOU TELL OTHER ADVISORS THEY CAN EXPECT FROM RAYMOND JAMES?

You’ll definitely get out of the marketing team what you put in. Once you have an idea of what your niche is, and you can communicate effectively with the team, you’ll get exactly what you want. Don’t be afraid of the process or be afraid to share all your information. If you do that, you’re going to be really pleased with the result.



A story worth telling

When Bob James founded Raymond James in 1962, he did so based on a belief that clients deserved more than help with investment decisions – they needed advice that considered their entire financial picture. As a result, Raymond James has always been a different kind of firm. One that embraces long-term planning, methodical decision-making and remains focused on what matters most: you, the client.

That approach has continually supported our growth as a preeminent financial firm serving clients across North America and overseas. Further, the company has expanded through the years to serve corporations, institutions and municipalities through significant capital markets, banking and asset management services. More than 50 years later, Raymond James has upheld a reputation of strength and stability through every kind of market environment. As Bob James first suspected, by putting the success of others first, the firm’s has followed close behind.



Our core values

- 1

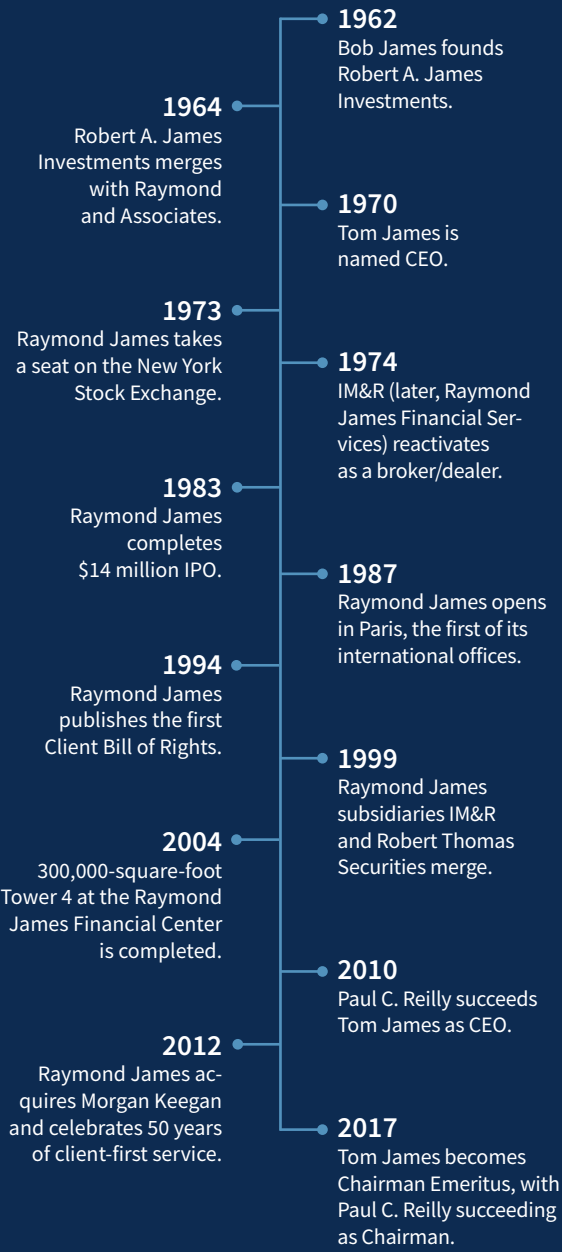
CLIENT FIRST The firm takes care of clients and their financial well-being through a focus on people, not products.
- 2

CONSERVATISM Disciplined decision-making and a long-term approach to financial planning make us conservative, pragmatic and proud of the way we do business.
- 3

INTEGRITY A straightforward approach to doing business – along with a fundamental belief in doing what’s right – inspires us to work with integrity on a daily basis as we provide the highest caliber of service.
- 4

INDEPENDENCE As an independent firm made up of empowered individuals who make this company great, there is a spirit of independence in everything we do.

A history of strength and trust



THE RAYMOND JAMES

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.

*CERTAIN QUALIFICATIONS APPLY.

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.



MODESTO

JANA KEARNS

Branch Manager, Modesto

Senior Vice President, Investments

832 12th Street, Suite 601

Modesto, CA 95354

T 209.530.2215

SAN FRANCISCO

BILL HUBBARD

Branch Manager, San Francisco

Senior Vice President, Investments

575 Market Street, Suite 3900

San Francisco, CA 94105

T 415.538.5701

SAN JOSE

NATHAN CLAKLEY

Northern California Complex Manager

Senior Vice President, Investments

150 Almaden Blvd., Suite 1375

San Jose, CA 95113

T 925.952.5252

SAN RAFAEL

COURTNEY IRWIN

Branch Manager, San Rafael

Vice President, Investments

4000 Civic Center Drive, Suite 500

San Rafael, CA 94903

T 415.870.2475

WALNUT CREEK

NATHAN CLAKLEY

Northern California Complex Manager

Senior Vice President, Investments

2999 Oak Road, Suite 1030

Walnut Creek, CA 94597

T 925.952.5252

SANTA ROSA

NATHAN CLAKLEY

Northern California Complex Manager

Senior Vice President, Investments

3558 Round Barn Blvd., Suite 200

Santa Rosa, CA 95403

T 925.952.5252

RAYMOND JAMES® | NORCAL COMPLEX

Northern California Complex
2999 Oak Road, Suite 1030
Walnut Creek, CA 94597

NorCalINSIDER
