FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023078630201

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: Raymond James & Associates, Inc. (Respondent)
Member Firm
CRD No. 705

Pursuant to FINRA Rule 9216, Respondent Raymond James & Associates, Inc. submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Raymond James & Associates, Inc. has been a FINRA member since 1964. The firm is headquartered in St. Petersburg, Florida, and has approximately 1,050 branch offices and approximately 8,600 registered representatives. The firm provides execution, clearing, and custodial services to retail and institutional customers.[1]

OVERVIEW

From at least January 2018 through October 2024, Raymond James failed to report approximately 2.56 million fractional share liquidations to the FINRA/Nasdaq Trade Reporting Facility (TRF) and the Over-the-Counter Reporting Facility (ORF), in violation of FINRA Rules 6380A, 6622, and 2010.

From at least January 2018 through October 2024, Raymond James failed to establish and maintain a supervisory system reasonably designed to comply with its reporting obligations for fractional share trades, in violation of FINRA Rules 3110 and 2010.

[1] For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

For these violations, the firm is censured, fined $125,000, and subject to an undertaking to pay regulatory transaction fees as described below.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA cycle exam of Raymond James.

Raymond James failed to report fractional share transactions.

FINRA Rules 6380A and 6622 set forth requirements for reporting trades in national market system (NMS) securities to the TRF and trades in over-the-counter (OTC) equity securities to the ORF.[2] FINRA Rules 6380A(b) and 6622(b) require that FINRA members report, among others, trades executed in a principal capacity between the member and a customer.[3] Trades involving fractional shares, such as a trade for less than one share or a trade for 10.5 shares, are subject to FINRA's trade reporting rules.

Sales executed in a principal capacity generally are subject to a regulatory transaction fee. Section 31(c) of the Securities Exchange Act of 1934 requires FINRA to pay regulatory transaction fees and assessments to the Securities and Exchange Commission to recover costs related to the government's supervision and regulation of the securities markets and professionals. FINRA obtains its Section 31 fees and assessments from its membership in accordance with Section 3 of Schedule A to the FINRA By-Laws.

Violations of FINRA's trade reporting rules are also violations of FINRA Rule 2010, which requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

The TRF and ORF provide member firms with a mechanism by which to report transactions effected other than on an exchange. The data that members report has a direct impact on the accuracy of public information that FINRA disseminates. Additionally, the incomplete or inaccurate reporting of required trade information may negatively impact FINRA's surveillance patterns. FINRA relies on the completeness and accuracy of trade reporting to reconstruct and review the activities of market participants in order to safeguard the integrity of the securities markets and protect investors. Complete and accurate reporting also enables member firms to establish and maintain a supervisory system reasonably designed to achieve compliance with applicable securities laws and regulations.

Since at least January 2018, Raymond James has allowed customers to participate in a dividend reinvestment program (DRIP), which automatically reinvests dividends from designated securities into additional shares of the same security. At times, this results in

[2] "NMS security" is defined in Rule 600(b)(64) of Regulation NMS under the Securities Exchange Act of 1934, and "OTC equity security" is defined in FINRA Rule 6420(f).

[3] A principal transaction is a transaction where a broker-dealer participates in a trade by buying or selling a security for its own account.

customers holding fractional share positions in their accounts. When a client sells or transfers through the Automated Customer Account Transfer Service (ACATS) a DRIP-related position with a fractional share, the firm routes out for execution the whole share portion, acting in an agency capacity, and automatically exchanges the fractional share portion for cash, acting in a principal capacity.

From at least January 2018 through October 2024, the firm did not report approximately 2.56 million liquidations of DRIP-related fractional shares executed in a principal capacity to the TRF and ORF because it treated the fractional share liquidations as journal entries, not trades. As a result, the firm did not pay the Section 31 regulatory transaction fees associated with the fractional share trades.

By failing to report these transactions, Raymond James violated FINRA Rules 6380A, 6622, and 2010.

Raymond James failed to establish and maintain a supervisory system reasonably designed to achieve compliance with FINRA's trade reporting rules.

FINRA Rule 3110(a) requires a member firm to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. A violation of FINRA Rule 3110 also constitutes a violation of FINRA Rule 2010.

From at least January 2018 through October 2024, Raymond James's supervisory system was not reasonably designed to achieve compliance with its reporting obligations for fractional share trades, as the firm did not conduct any supervisory reviews specific to fractional share transactions. Therefore, Raymond James violated FINRA Rules 3110(a) and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a censure;
- a $125,000 fine; and
- an undertaking to pay to FINRA regulatory transaction fees as required for unreported fractional share trades executed between January 2018 and October 2024, pursuant to Section 3 of Schedule A to FINRA's By-Laws.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. FINRA's Finance Department will contact Respondent regarding payment. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The sanctions imposed in this AWC shall become effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

A. To have a complaint issued specifying the allegations against it;

B. To be notified of the complaint and have the opportunity to answer the allegations in writing;

C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and

D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;

B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;

2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;

3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and

4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

8/10/26
Date

Raymond James & Associates, Inc.
Respondent

Print Name: TASH ELWYN

Title: PRESIDENT, PCG

Reviewed by:

Ashley Bashur
Counsel for Respondent
WilmerHale
2100 Pennsylvania Avenue NW
Washington DC 20037

Accepted by FINRA:

8/18/2026
Date

Signed on behalf of the
Director of ODA, by delegated authority

Jennifer Romeo
Principal Counsel
FINRA
Department of Enforcement
581 Main Street, 7th Floor
Woodbridge, NJ 07095