RAYMOND JAMES FINANCIAL INC
Form 424B4
August 13, 2009
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This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(4)
Registration No. 333-159583

Subject to completion, dated August 13, 2009

Prospectus Supplement

(To Prospectus dated May 29, 2009)

Raymond James Financial, Inc.

$ % Senior Notes Due

We will pay interest on the % senior notes due , which we refer to as the notes in this prospectus supplement, semi-annually on and of each year. We will make the first interest payment on , 2010. The notes will mature on , . The notes will be our unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. We will issue the notes in minimum denominations of $1,000 and integral multiples of $1,000.

We may redeem some or all of the notes at any time prior to their maturity at the redemption price described in this prospectus supplement. There is no sinking fund for the notes. The notes will not be listed on any securities exchange. We may from time to time purchase the notes in the open market.

Investing in the notes involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes are not savings accounts, deposits or other obligations of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

The notes are *not* guaranteed under the Federal Deposit Insurance Corporation s Temporary Liquidity Guarantee Program.

	Price to Public(1)	Underwriting Discounts and Commissions	Proceeds, Before Expenses
Per Note	$	$	$
Total	$	$	$

(1) Your purchase price also will include interest accrued on the notes since , 2009, if any.

Delivery of the notes in book-entry form only will be made through the facilities of The Depository Trust Company and its participants, including Euroclear System and Clearstream Banking, S.A., on or about , 2009.

Joint Book-Running Managers

J.P. Morgan **Citi**

Co-Managers

Keefe, Bruyette & Woods **Raymond James**

, 2009

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About this prospectus supplement

We provide information to you about the notes in two separate documents: (1) this prospectus supplement, which describes the specific terms of the notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in that prospectus, and (2) the accompanying prospectus, which provides general information about securities we may offer from time to time, including securities other than the notes that are being offered by this prospectus supplement. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information in this prospectus supplement.

It is important for you to read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You also should read and consider the information in the documents we have referred you to in Where You Can Find More Information on page S-22 of this prospectus supplement and page 95 of the accompanying prospectus.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

We include cross-references in this prospectus supplement and the accompanying prospectus to captions in these materials where you can find additional related discussions. The table of contents in this prospectus supplement provides the pages on which these captions are located.

Unless the context requires otherwise, references to Raymond James Financial, Raymond James, the Company, we, our or u
this prospectus supplement refer to Raymond James Financial, Inc., a Florida corporation.

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Summary

The following summary should be read together with the information contained in other parts of this prospectus supplement and in the accompanying prospectus. This summary highlights selected information from this prospectus supplement and the accompanying prospectus to help you understand the offering of the notes. You should read this prospectus supplement and the accompanying prospectus, including the documents we incorporate by reference, carefully to understand fully the terms of the notes as well as the other considerations that are important to you in making a decision about whether to invest in the notes. You should pay special attention to the Risk Factors section beginning on page S-8 of this prospectus supplement and the Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2008 to determine whether an investment in the notes is appropriate for you.

Raymond James Financial, Inc.

Raymond James Financial, Inc., the parent company of a business established in 1962 and a public company since 1983, is a holding company headquartered in St. Petersburg, Florida whose subsidiaries are engaged in various financial services businesses predominantly in the United States of America (U.S.) and Canada. Our principal subsidiaries are Raymond James & Associates, Inc. (RJA), Raymond James Financial Services, Inc. (RJFS), Raymond James Ltd. (RJ Ltd.), Eagle Asset Management, Inc. (Eagle) and Raymond James Bank, FSB (RJBank). All of these subsidiaries are wholly owned by us.

Our principal subsidiary, RJA, is the largest full service brokerage and investment firm headquartered in the state of Florida and one of the largest retail brokerage firms in North America. RJA is a self-clearing broker-dealer engaged in most aspects of securities distribution, trading, investment banking and asset management. RJA also offers financial planning services for individuals and provides clearing services for RJFS, other affiliated entities and several unaffiliated broker-dealers. In addition, RJA has six institutional sales offices in Europe. RJA is a member of the New York Stock Exchange, American Stock Exchange, and most regional exchanges in the U.S. It is also a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC).

RJFS is one of the largest independent contractor brokerage firms in the U.S. Financial advisors affiliated with RJFS may offer their clients all products and services offered by RJA. RJFS is a member of FINRA and SIPC, but not of any exchange, as it clears all of its business on a fully disclosed basis through RJA.

RJ Ltd. is our Canadian broker-dealer subsidiary which engages in both retail and institutional distribution and investment banking. RJ Ltd. is a member of the Toronto Stock Exchange and the Investment Industry Regulatory Organization of Canada. Its U.S. broker-dealer subsidiary is a member of FINRA.

Eagle is a registered investment advisor serving as the discretionary manager for individual and institutional equity and fixed income portfolios. Eagle also acts as the manager of our internally sponsored Eagle Family of Mutual Funds.

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RJBank provides traditional banking products and services to the clients of our broker-dealer subsidiaries and to the general public.

We have eight business segments: Private Client Group; Capital Markets; Asset Management; RJBank; Emerging Markets; Stock Loan/Borrow; Proprietary Capital and certain corporate activities combined in the Other segment.

Our headquarters are located at 880 Carillon Parkway, St. Petersburg, Florida 33716, and our telephone number is (727) 567-1000. Our website is *www.raymondjames.com*. The information on our Internet site is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

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The offering

Issuer	Raymond James Financial, Inc.
Securities Offered	$ aggregate principal amount of % senior notes due .
Maturity	The notes will mature on , .
Interest Rate	The notes will bear interest at the rate of % per year from the original issuance date.
Interest Payments	We will pay interest on the notes semi-annually in arrears each and . We will make the first interest payment on , 2010.
Use of Proceeds	We expect to use the net proceeds from the sale of the notes for capital contribution(s) to RJBank, to fund growth of our domestic broker-dealer subsidiaries and for working capital. The balance of the proceeds will be used for general corporate purposes.
Form of Securities	The notes will be issued in book-entry form.
Denominations	The notes will be issued in minimum denominations of $1,000 and integral multiples of $1,000.
Governing Law	The notes and the senior indenture will be governed by New York law.
Ratings	The notes are expected to be rated BBB by Standard & Poor s Ratings Services, a division of The McGraw-Hill Companies, Inc., and Baa2 by Moody s Investor Services, Inc. Security ratings are not recommendations to buy, sell or hold the notes. Ratings are subject to revision or withdrawal at any time by the rating agencies.
Ranking	The notes are our direct, unsecured and unsubordinated obligations and rank equal in priority with all of our existing and future unsecured and unsubordinated indebtedness and are senior in right of payment to any future subordinated indebtedness.
Optional Redemption	We may redeem some or all of the notes at any time prior to their maturity at the redemption price described in this prospectus supplement. See Description of the Notes Optional Redemption.
No Listing	The notes will not be listed on any securities exchange.

Further Issuances	We may, without the consent of the holders of the notes, create and issue additional notes of the same series.
Trustee and Paying Agent	The Bank of New York Mellon Trust Company, N.A.

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Selected financial data

The following table sets forth summary historical consolidated financial data from our consolidated financial statements and should be read in conjunction with our consolidated financial statements, including the related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations set forth in our Annual Report on Form 10-K for the fiscal year ended September 30, 2008 and incorporated by reference into this prospectus supplement. The summary historical consolidated financial data as of the five fiscal years ended on or around September 30, 2008 is derived from our audited consolidated financial statements and related notes, which were audited by KPMG LLP, an independent registered public accounting firm. The summary historical consolidated financial data as of the nine months ended June 30, 2009 and 2008 is derived from our unaudited consolidated financial statements and related notes. For more information, see the sections entitled Where You Can Find More Information in this prospectus supplement and the accompanying prospectus.

(in 000 s, except per share data)	Nine Months Ended June 30, 2009	June 30, 2008	Year Ended September 30, 2008	September 30, 2007	September 30, 2006	September 30, 2005	September 24, 2004
	(unaudited)						
Operating Results:							
Total Revenues	$ 1,924,496	$ 2,445,073	$ 3,204,932	$ 3,109,579	$ 2,645,578	$ 2,168,196	$ 1,829,776
Net Revenues	$ 1,878,408	$ 2,119,538	$ 2,812,703	$ 2,609,915	$ 2,348,908	$ 2,050,407	$ 1,781,259
Net Income	$ 109,781	$ 185,970	$ 235,078	$ 250,430	$ 214,342	$ 151,046	$ 127,575
Net Income per Share Basic:(1)	$ 0.94	$ 1.59	$ 2.02	$ 2.17	$ 1.90	$ 1.37	$ 1.16
Net Income per Share Diluted:(1)	$ 0.93	$ 1.56	$ 1.97	$ 2.11	$ 1.85	$ 1.33	$ 1.14
Weighted Average Common Shares Outstanding Basic:(1)	117,239	116,573	116,383	115,608	112,614	110,217	110,093
Weighted Average Common and Common Equivalent Shares Outstanding Diluted:(1)	118,411	119,212	119,059	118,693	115,738	113,048	111,603
Cash Dividends per Common Share(1)	$ 0.33	$ 0.33	$ 0.44	$ 0.40	$ 0.32	$ 0.21	$ 0.17
Financial Condition:							
Total Assets	$ 17,830,830	$ 18,253,135(3)	$ 20,709,616(2)(3)	$ 16,228,797(3)	$ 11,505,415(3)	$ 8,365,158(3)	$ 7,611,928(3)
Long-Term Debt	$ 182,240(4)	$ 198,166(4)	$ 197,910(4)	$ 214,864(4)	$ 286,712(4)	$ 280,784(4)	$ 174,223
Shareholders Equity	$ 1,962,108	$ 1,847,378	$ 1,883,905	$ 1,757,814	$ 1,463,869	$ 1,241,823	$ 1,065,213
Shares Outstanding(1)	118,308(5)	115,844(5)	116,434(5)	116,649(5)	114,064(5)	113,394	110,769
Book Value per Share at End of Period(1)	$ 16.58	$ 15.95	$ 16.18	$ 15.07	$ 12.83	$ 10.95	$ 9.62

(1) 2005 and 2004 amounts have been adjusted for a March 22, 2006 3-for-2 stock split.

(2) Total assets include $1.9 billion in cash, offset by an equal amount in overnight borrowing to meet point-in-time regulatory balance sheet composition requirements related to RJBank s qualifying as a thrift institution. This borrowing was repaid on October 1, 2008.

(3) Under Financial Accounting Standards Board (FASB) Interpretation (FIN) No. 39, Offsetting of Amounts Related to Certain Contracts , the Company elects to net-by-counterparty the fair value of certain interest rate swap contracts. Certain contracts contain a legally enforceable master netting arrangement and therefore, the fair value of those swap contracts are netted by counterparty in the consolidated statements of financial condition. As of October 1, 2008, the Company adopted FASB Staff Position FIN No. 39-1, Amendment of FASB Interpretation No. 39 (FSP FIN No. 39-1). As the Company elects to net-by-counterparty the fair value of interest rate swap contracts, it must also net-by-counterparty any collateral exchanged as part of the swap agreement. Footnoted periods presented above have been restated to reflect this change. The table below shows the adjustments to total assets for FSP FIN No. 39-1.

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(in 000 s)	June 30, 2008	September 30, 2008	September 30, 2007	September 30, 2006	September 30, 2005	September 24, 2004
Total Assets previously reported	$18,279,188	$20,731,859	$16,254,168	$11,516,650	$8,369,256	$7,621,846
FSP FIN No. 39-1 adjustment	(26,053)	(22,243)	(25,371)	(11,235)	(4,098)	(9,918)
Total Assets, adjusted for application of FSP FIN No. 39-1	$18,253,135	$20,709,616	$16,228,797	$11,505,415	$8,365,158	$7,611,928

(4) Includes loans payable related to investments by variable interest entities in real estate partnerships, which are non-recourse to us.

(5) Excludes non-vested shares.

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Recent developments

Financial Results for Third Quarter of Fiscal 2009

We recently issued our financial results for the third quarter of fiscal year 2009. For the quarter ended June 30, 2009, we reported quarterly net income of $42.6 million, or $0.36 per diluted share, which represents a 39% decrease from net income of $69.9 million, or $0.59 per diluted share, earned in the third quarter of fiscal year 2008. Net revenues decreased 16% to $624.8 million, while gross revenues decreased 22% to $632.3 million. Comparisons to the immediately preceding quarter ended March 31, 2009 were more favorable as net income increased 600% from $6.1 million and net revenues increased 6% from $589.7 million.

RJBank Loan Loss Provisions

Fiscal 2009 operating results have been negatively impacted by increased loan loss provisions at RJBank. RJBank recorded loan loss provisions of approximately $30 million for the fiscal quarter ended June 30, 2009, $75 million for the fiscal quarter ended March 31, 2009 and $25 million for the fiscal quarter ended December 31, 2008. The $75 million loan loss provision for the second fiscal quarter ended March 31, 2009 reflected a charge-off of $28 million related to a single corporate loan to a commercial mortgage REIT and an unprecedented decline in commercial real estate values during the quarter. RJBank s loan portfolio is expected to remain flat or continue to decline for the next several quarters. Accordingly, loan loss provision expense is generally expected to trend in direct proportion to the health of the general economy, which impacts borrowers ability to repay loans. However, in the event that one or more of RJBank s large borrowers encounter specific business issues or if the general economy further deteriorates, there could be a significant negative impact on RJBank s loan loss provision in one or more future quarters.

As of June 30, 2009, approximately 90% of the dollar value of RJBank s corporate and commercial real estate loans were participations in shared national credits (SNCs), loans that were originated by commercial banks with whom RJBank has a relationship. A portion of each originating bank s SNCs are reviewed by the Office of the Comptroller of the Currency (OCC), the primary federal regulator of national banks, during its annual examination of the originating bank. The results of that review are applied by RJBank and the Office of Thrift Supervision, RJBank s primary federal regulator, in determining the rating of each SNC reviewed by the OCC. RJBank s loan loss provisions are a function of each loan s rating. Although RJBank regularly evaluates its loan portfolio to assess the adequacy of its reserves, our loan loss provisions with respect to SNCs are subject to being affected by a process in which RJBank has no input, possibly resulting in higher loan loss provisions in the future than would otherwise have been recorded.

Government Investigations into Auction Rate Securities Held by Clients

Our principal broker dealer subsidiaries, RJA and RJFS, have been subject to ongoing investigations in connection with their sale of auction rate securities (ARS). ARS are long-term debt and equity instruments whose interest/dividend rates are reset by periodic (typically weekly or monthly) auctions. The auctions also provided liquidity to ARS holders. Those auctions began failing in February 2008, resulting in holders being unable to liquidate investments they believed to be readily saleable for cash at par. The Securities and Exchange Commission (SEC), whose investigation is now in its sixteenth month, continues to take testimony of various individuals and from time to time seeks additional documents and information. The Office of Financial Regulation of the State of Florida, which began its investigation of Raymond James a year ago, has also sought extensive documentation and has been contacting Raymond James clients. In addition, Florida regulators have recently requested the

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testimony of approximately 20 individuals, who are employees or independent financial advisors. Extensive documentation has also been provided to the Office of the Attorney General of the State of New York, which is monitoring these investigations. To date, none of the regulators have reported to us on the status of their investigations or provided us with any indication as to a timeline for completing their investigations, nor have they made any demand of us to take any remedial action with respect to ARS held by our clients. If we were to consider resolving pending claims, inquiries or investigations by offering to repurchase all or a significant portion of these ARS from certain clients, we would have to have sufficient regulatory capital and cash or borrowing power to do so, and at present we do not have such capacity. Because we believe we have meritorious defenses and do not have sufficient regulatory capital, cash or borrowing capacity to repurchase all or a significant portion of the remaining ARS held by Raymond James clients, any action to compel repurchasing ARS would likely be vigorously contested by us.

As of July 31, 2009, approximately two-thirds of the remaining $813 million of ARS currently held by Raymond James clients have been issued by funds of Nuveen Investments, a large mutual fund sponsor. Nuveen has publicly announced that it is currently pursuing alternatives to refinance ARS issued by its funds. Although there can be no assurance that Nuveen s refinancing plans will be successful, its refinancing would significantly reduce our clients holdings of ARS.

Bank Holding Company Conversion Application

RJBank applied to the OCC to convert from a federal savings bank to a national bank on November 29, 2008 and we applied to the Federal Reserve Board to become a bank holding company on December 5, 2008. We had a preliminary visit by a Federal Reserve Board examiner in January 2009 and since then have responded to several follow-up requests for additional information. We have recently been informed by the Federal Reserve Board that they will conduct a pre-approval inspection of us beginning in August. Accordingly, we do not expect action on our bank holding company application until the Federal Reserve Board has completed its inspection and received satisfactory responses to all questions that arise in the course of that inspection. Given that this inspection has not yet begun, we are currently unable to estimate if or when we could be approved as a bank holding company. Federal Reserve Board staff has also recently indicated that resolution of our outstanding ARS issue could impact the timing of our conversion application. The OCC has completed its inspection of RJBank and we are not aware of any impediments to RJBank s conversion to a national bank, other than approval by the Federal Reserve Board of us as a bank holding company.

Our business plan for RJBank is for it to become a commercial bank, enabling it to have a majority of its loan portfolio composed of corporate and commercial real estate loans. If RJBank remains a thrift, its business mix would be required to be oriented to loans related to residential real estate and other qualifying thrift assets.

Amendment to Revolving Credit Agreement

On June 18, 2009, Amendment No. 1 to the Company s Credit Agreement, dated as of February 6, 2009 with JPMorgan Chase Bank, N.A., individually and as administrative agent, and five other commercial banks, which we refer to as the revolving credit agreement in this prospectus supplement, became effective. The amendment eliminated receipt of approval to participate in the U.S. Treasury s TARP Capital Purchase Program as a condition to borrowing under the revolving credit agreement. In addition, revisions were made to covenants related to the use of proceeds, additional indebtedness, RJBank financial ratios and restricted payments. RJA has various banking arrangements with the lenders party to the revolving credit agreement.

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Risk factors

Investing in the notes involves risks, including the risks described below that are specific t