

ALABAMA SECURITIES COMMISSION

Post Office Box 304700

Montgomery, Alabama 36130-4700

Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240

Email: asc@asc.alabama.gov Website: www.asc.alabama.gov

**Alabama Securities Commission Announces Settlement with Raymond James
Related to Auction Rate Securities Investigation**

MONTGOMERY, ALABAMA (Sep. 16, 2011) Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announced today that Raymond James Financial Services, Inc. entered into a Consent Order with the ASC on Aug. 23, 2011 for the repurchase of approximately \$10.4 million of auction rate securities previously sold to the firm's Alabama clients. Additionally, Raymond James was assessed a \$23,189 civil penalty for violations of Alabama law dealing with dishonest or unethical business practices and failure to supervise their agents in the sale of ARS products. Alabama investors, together with investors nationwide, had their funds frozen since the collapse of the auction rate securities (ARS) market in 2008.

Since the 2008 ARS market collapse, securities regulators nationwide including Alabama have secured settlements calling for financial firms that marketed ARS instruments to repurchase from investors more than \$61 billion in the securities. As part of the overall settlement, Raymond James agreed to repurchase approximately \$300 million in ARS products from their clients nationwide.

The settlement with Raymond James is the result of an investigation led by the Florida Office of Financial Regulation and the Texas State Securities Board into allegations that the firm misled clients by falsely assuring them that auction rate securities were a safe, liquid alternative to cash, certificates of deposit and money market funds. The ARS markets froze in February 2008, triggering complaints from investors who could not withdraw money from their accounts.

"This settlement will go far in providing redress to Alabama investors who have suffered from the failure of the auction rate securities markets," said Director Borg. "The Alabama Securities Commission is proud to have been able to work cooperatively with other state regulators to address the problems being experienced by our main street investors and we pledge to continue to seek relief for those who are affected by misleading financial business practices."

The ASC cautions potential investors to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC with inquiries concerning securities broker-dealers, agents, investment advisers, investment adviser representatives, financial planners, registration status of securities or debt management programs, to report suspected fraud or to obtain consumer information. The ASC provides free investor education and fraud prevention materials in print, on our website and through educational presentations upon request.

###

For additional information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

ALABAMA SECURITIES COMMISSION

Post Office Box 304700

Montgomery, Alabama 36130-4700

Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240

Email: asc@asc.alabama.gov Website: www.asc.alabama.gov