

**NASDAQ ISE, LLC
NOTICE OF ACCEPTANCE OF AWC**

Certified, Return Receipt Requested

**TO: Raymond James & Associates, Inc.
Mr. John M. Soto
Vice President
880 Carillon Parkway
St. Petersburg, FL 33716**

**FROM: NASDAQ ISE, LLC ("ISE")
c/o Financial Industry Regulatory Authority ("FINRA")
Department of Market Regulation
9509 Key West Avenue
Rockville, MD 20850**

DATE: July 17, 2017

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20160489184-01

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted on **July 14, 2017** by ISE's Business Conduct Committee. A copy of the AWC is enclosed herewith.

You are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration ("Form BD") to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA (or NASDAQ if you are not a member of FINRA) in writing of any change of address or other changes required to be made to your Form BD.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by NASDAQ's Finance Department regarding the payment of any fine if a fine has been imposed.

Raymond James & Associates, Inc.
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If you have any questions concerning this matter, please contact Theresa Clarkson, Senior Counsel,
at (212) 858-4326.



Eric S. Brown
Chief Counsel, Legal Section
Department of Market Regulation, FINRA

Signed on behalf of NASDAQ
and ISE

Enclosure

FINRA District 7 – Boca Raton
Daniel M. Sibears
Exec Vice President and Acting Regional Director
(Via email)

NASDAQ ISE, LLC
Attn: John Zecca, Chief Regulatory Officer
60 Broad Street, 26th Floor
New York, NY 10004

Re: LETTER OF ACCEPTANCE, WAIVER AND CONSENT
ISE File Nos. 2015-265, 2016-036, and 2016-247
Raymond James & Associates, Inc. (CRD No. 705)

Chief Regulatory Officer and Business Conduct Committee Members:

Pursuant to ISE Rule 1603, Raymond James & Associates, Inc. ("RAJA" or the "firm") submits this Letter of Acceptance, Waiver, and Consent ("AWC") to the Nasdaq ISE, LLC (f/k/a the International Securities Exchange, LLC) ("ISE" or "Exchange") to propose a settlement of the alleged rule violations described in Section II below. This AWC is submitted to resolve this proceeding and on the condition that, if accepted, ISE will not bring any future actions against RAJA based on the same alleged violations.

RAJA understands that signing this AWC is a voluntary action on its part and that the AWC will not resolve this matter unless and until it has been reviewed and accepted by both the Chief Regulatory Officer ("CRO") and then the Business Conduct Committee ("BCC"), who must decide if it is appropriate in view of the facts and allegations involved. RAJA also understands that if either the CRO or the BCC decides to decline this AWC, it will not be used against RAJA to prove that any violations occurred.

RAJA understands that if this AWC is accepted by both the CRO and the BCC, it will become a part of its permanent disciplinary records and may be considered in any future actions brought by the ISE. RAJA also understands that its experience in the securities industry and any disciplinary history may be factors which the CRO and BCC will consider in deciding whether to accept this AWC. That experience and disciplinary history includes the following:

- RAJA became a member of ISE on March 28, 2013, and its registration remains in effect. At all relevant times, RAJA was approved to perform act in the capacity of an Electronic Access Member ("EAM").
- RAJA does not have any relevant disciplinary history.

I. Waiver of Procedural Rights

RAJA is advised of, and specifically and voluntarily waives, the following rights which are granted by the ISE's disciplinary rules:

1. to have a Statement of Charges filed identifying the violations alleged in this matter;
2. to be notified of the Statement of Charges and have the opportunity to answer the allegations in writing;
3. to defend against the allegations in a hearing before a Panel consisting of a professional hearing officer and two members of the BCC and to be represented by an attorney at the hearing;

4. to have a written record of the hearing made and a written decision issued by the Panel; and
5. to appeal any such decision to the ISE's Board of Directors, then to the U.S. Securities and Exchange Commission and to a U.S. Court of Appeals.

RAJA further waives any provision of the ISE's disciplinary and other rules that may be interpreted as prohibiting any ISE staff member from advising the CRO and BCC in their decision as to whether to accept this AWC.

II. Acceptance and Consent

Overview

In ISE File Nos. 2015-265, 2016-036, and 2016-247, ISE staff conducted reviews of RAJA's order entry activities in its capacity as an EAM during the period between July 2015 and June 2016 (the "Review Period") for compliance with ISE Rule 716(e). On behalf of the Exchange, FINRA staff then conducted a further review of the firm's order entry activities and concluded that during the Review Period, RAJA had improperly used the ISE's Solicited Order Mechanism ("SOM") and failed to adequately supervise in connection with its use, in violation of ISE Rules 401 and 716(e).

RAJA hereby accepts and consents, without admitting or denying the allegations, to the entry of findings by the ISE of the following acts and violations.

SOM and Related Supervision Violations

1. According to ISE Rule 716(e), the SOM is "a process by which an Electronic Access Member ["EAM"] can attempt to execute orders of 500 or more contracts it represents as agent (the 'Agency Order') against contra orders that it solicited." EAMs are required to enter orders into the correct crossing mechanism on the Exchange.
2. During the Review Period, SOM reviews conducted by ISE Market Surveillance staff and FINRA staff identified 23 situations in which RAJA had failed to adhere to the requirements of ISE rules when utilizing the SOM. Specifically, RAJA improperly used the SOM to cross orders that did not involve solicited contra orders on 23 occasions during the Review Period.
3. The conduct described in paragraph two constitutes separate and distinct violations of ISE Rule 716(e).

4. During the Review Period and until April 2016, RAJA failed to have any supervisory systems and controls in place, including WSPs and separate systems of follow-up and review, which were designed to ensure compliance with ISE rules related to the proper use of the SOM.
5. The conduct described in paragraph four constitutes separate and distinct violations of ISE Rule 401.

RAJA hereby consents to the ISE imposing on it, at a maximum, the following sanction:

a censure and a fine of \$20,000.

III. Corrective Action and Other Matters

1. If this AWC is accepted by the BCC, ISE will take no further action against RAJA respecting the matters that are the subject of this AWC. If this AWC is rejected by the BCC, the matter shall proceed as though the letter had not been submitted. The BCC's decision to accept or reject this AWC shall be final, and RAJA may not seek review thereof.
2. RAJA may attach to this AWC any statement it wishes to have the CRO and BCC consider in deciding whether to accept it, although it may not deny the existence of the violations or make any other statements inconsistent with the AWC.
3. RAJA agrees to pay the monetary sanctions imposed on it upon notice that this AWC has been accepted and that such payment is due and payable, and has attached the election form showing the method by which it proposes to pay any fine imposed.
4. RAJA understands that ISE will make such public announcement concerning this agreement and the subject matter thereof as ISE may deem appropriate.

RAJA certifies that it has read and understands all of the provisions of this AWC and has been given full opportunity to ask questions about it; and that no offer, threat, inducement, or promise of any kind has been made to induce RAJA to submit it.

Raymond James & Associates, Inc.

By: 

Name: JOHN M. SOTO

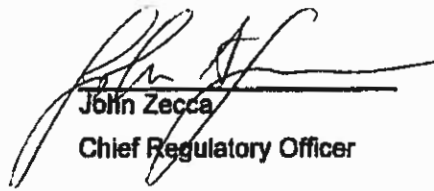
Title: VP, Trading Ops.

Date: 6-21-17

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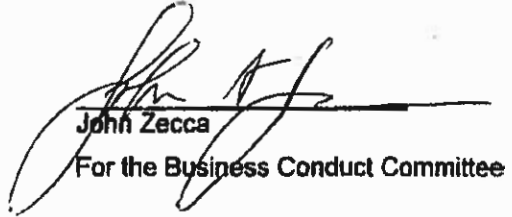
Decision of the ISE Chief Regulatory Officer: Accept Decline

Date 7/14/17


John Zecca
Chief Regulatory Officer

Decision of the ISE Business Conduct Committee: Accept Decline

Date 7/14/17


John Zecca
For the Business Conduct Committee

LETTER OF ACCEPTANCE, WAIVER AND CONSENT

ISE Investigation Nos. 2015-265, 2016-036, and 2016-247

Schedule A

Election of Payment Method

Raymond James & Associates, Inc., proposes to pay the fine as described in Part II, *Acceptance and Consent*, of the AWC by:

- Automatic Deduction from the Firm's Options Clearing Corporation account;
- A firm check or bank check for the full amount;
- Wire transfer;
- The installment payment plan¹ (if agreed between RAJA and the Exchange staff, and approved by the BCC).

If the firm proposes to pay the fine by a firm check or a bank check for the full amount, or by wire transfer for the full amount, the Exchange must receive payment of the fine within 30 days of the AWC becoming final.

If the Exchange does not receive the firm check or a bank check for the full amount, or by wire transfer for the full amount, within 30 days of the AWC becoming final, the Exchange will deduct the fine from the firm's OCC account.

The Exchange will notify the firm by separate letter when the AWC is accepted and becomes final.

Respectfully submitted,

Raymond James & Associates, Inc.

By: [Signature]

Name: JOHN C. SOTO

Title: VP, Trading Ops

Date: 6-21-17

¹ The installment payment plan is only available for a fine of \$50,000 or more. Certain interest payments, minimum monthly payments and other requirements may apply. The Firm should discuss this fully with counsel before requesting this method of payment.