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STATE AUDITORS  
OFFICE  
HELENA, MONTANA

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BEFORE THE STATE AUDITOR, EX-OFFICIO COMMISSIONER OF SECURITIES  
FOR MONTANA

IN THE MATTER OF: )  
 )  
RICHARD H. WESTERMAN, ) CASE NO.: Case C-05-04-06-225  
 )  
individually and in his capacity as )  
securities salesperson for Raymond James, ) CONSENT AGREEMENT  
 ) (RJFS)  
 )  
RAYMOND JAMES )  
FINANCIAL SERVICES, INC. )  
880 Carillon Parkway )  
St. Petersburg, FL 33716 )  
 )  
 )  
Respondents. )

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Consent Agreement dated this \_\_\_\_\_ day of August, 2007, between the State of Montana Securities Department of the office of the State Auditor as Commissioner of Securities of the state of Montana (Department), acting pursuant to the authority of the Securities Act of Montana, § 30-10-101, et seq., Montana Code Annotated (2005), and Respondent Raymond James Financial Services, Inc. (RJFS).

**RECITALS**

WHEREAS, the Department issued a Notice of Proposed Agency Action on or about May 31, 2007, alleging RJFS failed to reasonably supervise its securities salesperson, Richard Westerman (Westerman) with regard to Westerman's actions in the account of one Montana investor, in violation of the Montana Securities Act;

WHEREAS, the Department and RJFS have investigated the matter to their satisfaction;  
and

WHEREAS, the Department has found that the best interests of the investing public and the securities industry in Montana will be served by entering into this Agreement and its specific undertakings.

NOW THEREFORE, in consideration of the mutual undertakings in this Agreement, the Department and RJFS hereby agree to resolve their differences and settle this matter pursuant to the following terms and conditions:

**I. SUMMARY OF ALLEGATIONS**

A. The Notice of Proposed Agency Action alleges RJFS failed to reasonably supervise its employee, Westerman resulting in violations of the Montana Securities Act by Westerman. Failure to reasonably supervise a securities salesperson is a violation of the Montana Securities Act.

**II. STIPULATIONS AND CONSENTS**

A. Without admitting or denying any wrongdoing or the allegations cited herein, RJFS stipulates and consents as follows:

1. To pay a fine in the amount of \$10,000 to the State of Montana;
2. To pay the amount of \$6,296.76 to the Investor Protection Trust for the benefit of Montana investors.

3. To comply with the terms and conditions of this Consent Agreement and with the securities laws and regulations of Montana.

B. Pursuant to the stipulations, agreements and consents by RJFS, the Department, under authority of the Montana Securities Act, and § 2-4-603, Montana Code Annotated (2005), hereby agrees that:

1. The Department has determined and shall execute contemporaneous with the Consent Agreement such documents and take such actions as are required to dismiss the Action

with prejudice with respect to RJFS, seeking an order that recognizes this Agreement as final resolution of the matter.

C. All parties to this Consent Agreement agree and acknowledge:

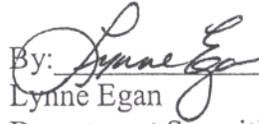
1. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Under authority of the Montana Securities Act, the Department hereby agrees that it will not initiate any civil or administrative actions against RJFS regarding or related to the allegations contained in the present Notice of Proposed Agency Action. Respondent RJFS fully and forever releases and discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Consent Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Notice of Proposed Agency Action.

2. Upon execution and acknowledgement of the consent agreement the State Auditor will file with the hearing examiner a Motion and Stipulation to Dismiss the Action, with prejudice, with respect to RJFS.

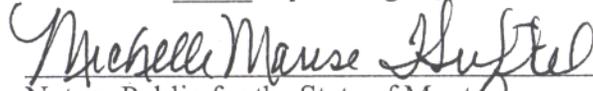
3. The Statute of Limitation is tolled for two (2) years from the date of consummation of this consent agreement with regard to the allegations set forth above. In the event RJFS violates the terms of this consent agreement at any time during the two-year tolling period the State Auditor's Office reserves the right to seek a fine in the amount of \$75,000.

DATED this 6<sup>th</sup> day of August, 2007.

MONTANA SECURITIES DEPARTMENT

By:   
Lynne Egan  
Department Securities Commissioner

SUBSCRIBED AND SWORN to before me this 6<sup>th</sup> day of August, 2007.

  
Notary Public for the State of Montana  
Residing at Helena, MT  
My Commission expires: March 29, 2008

DATED this \_\_\_\_\_ day of August, 2007.

RAYMOND JAMES FINANCIAL SERVICES, INC.

By: \_\_\_\_\_

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of August, 2007.

\_\_\_\_\_  
Notary Public for the State of Florida  
Residing at \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

DATED this \_\_\_\_\_ day of August, 2007.

MONTANA SECURITIES DEPARTMENT

By: \_\_\_\_\_  
Lynne Egan  
Department Securities Commissioner

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of August, 2007.

\_\_\_\_\_  
Notary Public for the State of Montana  
Residing at Helena, MT  
My Commission expires: \_\_\_\_\_

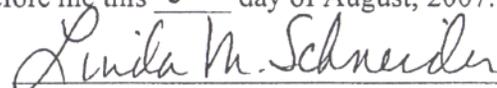
DATED this 6<sup>th</sup> day of August, 2007.

RAYMOND JAMES FINANCIAL SERVICES, INC.

By:  \_\_\_\_\_

SUBSCRIBED AND SWORN to before me this 6<sup>th</sup> day of August, 2007.

**LINDA M. SCHNEIDER**  
Notary Public, State of Florida  
My comm. exp. April 20, 2008  
Comm. No. DD 359373

 \_\_\_\_\_  
Notary Public for the State of Florida  
Residing at \_\_\_\_\_  
My Commission expires: APRIL 20, 2008