

NEWSMAKERS

THOMAS JAMES

Raymond James chief prepares to step down

By Bruce Kelly

REPRESENTATIVES and advisers at Raymond James Financial Inc. will sorely miss Thomas James, the firm's chief executive for the past 40 years, when he steps down in 2010.

Mr. James, 66, is an "old school" leader, observers said. Brokers and advisers have tremendous trust in his investment savvy, and he has the respect of the 5,000 reps and advisers who work in the firm's various channels, they added.

Mr. James isn't about to stop walking the hallways of the firm's headquarters in St. Petersburg, Fla. After he is replaced by firm outsider Paul Reilly, Mr. James will remain as chairman.

But Mr. James, who still works with a small number of clients, is also a key member of the firm's investment committee, and advisers are curious about what will happen to his place there.

"He has a great investment committee, but Tom is exceptionally gifted at analyzing investments," said Bill Carter, president of Dallas-based Carter Financial Management, which has about \$600 million in client assets. "They are going to be short one very, very smart person if Tom is not there."

Mr. James spoke in an interview this month at a national sales meeting in Las Vegas for Raymond James Financial Services Inc., the independent-contractor broker-dealer. About 1,600 reps and advisers attended the conference.

sure they were designing the right utilities to support the business, and solve problems in advance of them becoming enforcement problems.

Q. Raymond James has a history of sticking its neck out on regulatory issues. Will you continue to do that?

A. We will continue to do that. I'm an old guy, and I'm not going to change my ways now.

Q. The firm has applied for money from the government's Troubled Asset Relief Program, but has yet to receive notice of whether it will get it. Will you take it?

A. It's possible. Look, how bad is this market going to get? This is scary. People have lost all confidence. They don't like the stimulus package. There's a continuing denigration of the people in this industry,



and there are lot of very honest people working very hard in this business, trying to do a good job.

We have cobbled together a \$100 million unsecured revolving line of credit, which is about half of what

we used to have. If we had the whole \$200 million back, I wouldn't take any TARP money. And that could happen.

Q. With all the negative publicity about financial services companies having national meetings, why did you decide to have your meeting?

A. How important is this? You go back and talk to those financial advisers, and I'll tell you, they are here to get reinvigorated, to come back and get out of their depression. That's why they're here. And we have a job to do to keep them up and help their clients reach their financial goals. I really believe all this. This isn't nonsense.

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Q. What will happen to your role on the firm's investment committee?

A. I don't have current plans to depart any committees. I wouldn't leave a committee without the appropriate knowledge and conservative bias already there, just as was the case when I left the bank loan committee.

Q. With a new administration, what regulatory or legislative changes are you most concerned about?

A. Any kind of business tax. We need to help encourage the business world to come back in this environment.

Q. What keeps you up at night?

A. Regulatory revisions, parts of which are tax-oriented. How is the industry going to be regulated in the future, and how is it going to operate? I'm frightened you could have some bad parts [in those changes], and they could actually hurt the industry. So, we, the leadership of the industry, have to be very involved in how the laws are crafted.

The thing that has always irritated me most about our regulatory system is, there hasn't been enough focus on building a better system. The regulators get totally into enforcement, even though, if you read the Securities and Exchange Commission's charter, there is no question that the SEC could have another function. They could actually involve themselves with industry leaders and academics and make

million stories
happy ending.