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OFFICE OF THE SECRETARY

April 1, 2004

Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street N.W.
Washington, DC 20549-0609

S7-06-04

Re: Release No. 33-8358

Dear Sir:

On behalf of Raymond James Financial, Inc. (RJF or the Company) I am pleased to submit the following comments with respect to Release No. 33-8358 regarding proposed confirmation requirements and point of sale disclosure requirements for transactions in mutual funds and other securities.

RJF is a diversified financial services holding company whose subsidiaries engage in securities brokerage, investment banking, asset management and other financial services throughout the United States and internationally. The Company's domestic broker-dealer subsidiaries have approximately 5,000 financial advisors in more than 2,100 locations world-wide; through those subsidiaries, the Company distributes over 9,000 mutual funds marketed by 230 mutual fund complexes; the Company's clients own over $34 billion in mutual fund assets.

RJF has long been a proponent of complete disclosure of relevant information to purchasers of mutual funds. Our long-form confirmation, which is unique in the securities industry, already provides much of the information proposed by the SEC staff. For almost ten years, the Company has distributed to each of its investors a pioneering pamphlet entitled "Your Rights and Responsibilities as a Raymond James Client", which provides further comprehensive information regarding how mutual funds are sold, the various class options available, the impact of fee structures, the availability of discounts, and the fact that the Company receives direct payments from mutual fund companies in a number of forms. Accordingly, we welcome any proposal that would provide relevant information to investors in a concise and understandable manner, at a reasonable cost.

In establishing a disclosure framework, we believe the Commission should follow four principles:

1. All distributors of mutual funds should be subject to the same disclosure requirements. It should not make any difference to the investor whether he purchases from a bank, broker-dealer or insurance company as to the information he receives.

2. In this year 2004, it is time for the Commission to abandon its reliance on paper disclosure as the principle medium for communication of information. The cost estimate reflected in the release indicates prospective annual cost to the industry of billions of dollars to print the paper necessary for these disclosures. Today, most investors have access to and use computers on a regular basis. **Accordingly, all disclosures mandated by the new rules should be reflected on the websites of broker-dealers, and sales confirmations should refer the purchaser to the website for relevant information**. That one change would at once simplify the disclosure regime and reduce the cost dramatically. Investors who do not have access to a computer can request a printed statement from the distributor.

3. Providing information on a per-transaction and per-investor basis would impose unreasonable costs for programming that would be disproportionate to any benefit received by investors. Instead, the distributors should be required to post information on their website for representative transactions at different dollar amounts: for example, purchases of $10,000, $50,000 and $100,000. This would allow most investors to understand the impact of these costs with respect to their own purchase without requiring enormous programming effort on the part of fund distributors.

4. Retain the prospectus as the primary source for mutual fund disclosure. The prospectus is the basic sales tool used by registered representatives for educating clients with respect to potential purchases, and it should continue to be the principal disclosure document with respect to mutual fund costs and expenses.

Subject to these general comments, we have the following comments on specific items in the proposed revised Rule 10(b)-10.

15c2-2 (b)(3): In order to provide net asset value information, mutual fund companies would have to provide that information to broker- dealers. At the present time that information is not made available to us at the time the transaction is priced by the fund company

15c2-2(c)(1)(ii): This information should be provided in the fund prospectus, to which the customer should be referred. Alternatively, it can be provided with respect to hypothetical sales levels (see comment 3. above) on the broker-dealer website. It would be unreasonably costly to program for this information in connection with every sale.

15c(2)(3)(4) and (5): Here, too centralized website disclosure of hypothetical transaction ranges would provide reasonable information on a cost effective basis. The programming costs required to present this information on a specific transaction basis would be prohibitive.

15c(2)(d): We believe that all periodic purchase plans should be exempt from these requirements. Since the client has made the basic decision to undertake the purchase in this manner, repeated confirmation disclosure would appear to add little to the initial investment decision. On the other hand, if the information is available on the website of the broker-dealer, as we recommend, there is no problem in including the reference to the website.

Definitions: We recommend that the definition of "asset base sales charge" and "asset based service fee" be revised to make clear that they refer to charges paid to a fund or fund management company, so as not to create confusion with asset based sales charges that are used by broker dealers in lieu of transaction charges.

15c2-3: Point of sale disclosure. We believe that this proposed requirement is both unnecessary and excessive. Financial advisors use the prospectus as the basic vehicle for reviewing mutual fund transactions with their clients, and the improved disclosure in fund prospectuses should provide much of the necessary information. With respect to the payments received by the broker-dealer, if the website disclosure format we suggest is followed by the Commission, that information will be available to investors at all times. A regimen that requires checklists and mandated records would impose on mutual fund purchases a compliance structure that is completely different from that with respect to any other transaction engaged in by a broker-dealer. We believe there is no demonstrated need for such a regimen.

Schedule 15C and schedule 15D: We believe that the format for presentation of information should be devised by broker-dealers to reflect their record keeping system. So long as the required information is furnished, there should not be a mandated format, since the requirement of a particular format may impose unreasonable cost of compliance.

We also wish to respond to these questions posed in the release:

1. Should the rule proposals apply to closed-end funds?

In our view closed-end funds do not present the same issues, since they are not distributed through the same marketing/compensation structure as open-end funds. Closed-end funds are bought and sold as equity stocks, with a brokerage commission charge that is disclosed in the confirmation.

2. Should the rule proposals apply to variable annuities?

In our view, the largest factor in the pricing of variable annuity products is the underwriting determination regarding the insurance mortality cost. Because this determination is not made until after the application is submitted, and because that determination may be the most significant factor in the cost of the policy, we do not believe the purchase would derive the same benefit from disclosure of these other cases that a purchaser of mutual funds would derive.

However, if mutual fund distributors and broker-dealers are permitted to make web-site disclosures as we recommend, the purchaser of a variable annuity would have the same access to this information as would any other prospective investor.

Conclusion

The Commission staff has estimated the cost of compliance with these proposals by the securities industry in excess of $2 billion. It is clear that this estimate understates the actual cost, probably by orders of magnitude. We have undertaken an attempt to estimate the cost to Raymond James and enclose a schedule that indicates a yearly cost in excess of $2 million for confirmation compliance based on the proposed requirements.

The extraordinary costs imposed by the proposed disclosure regimen will ultimately be borne by fund shareholders. It would be anomalous to provide a disclosure regime that winds up costing investors far more than they benefit.

We support disclosure of revenue sharing arrangements, directed brokerage and soft dollar arrangements. We believe these should be disclosed in fund prospectuses. We believe that there is a cost effective way of disclosing the impact on investors by making use of 21st Century technology in the form of websites, and substituting representative transaction levels for trade by trade disclosure.

We appreciate the opportunity to comment on this important proposal.

Very truly yours,

Barry Augenbraun

Barry S. Augenbraun
Senior Vice President and
Corporate Secretary

BSA:cs

cc: Joshua B. Bolten, Director
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

H:\SEC\Release 33-8358 cover letter

Costs Estimates for new SEC Rules 15c2-2 15c2-3

Continuing Annual Costs

	quantity		costs		monthly		yearly		5 yrs costs 10% growth
Cost A									
Confirmation - for paper, printing, envelope & postage only (does not include initial programming costs, data feeds, maintenance, archiving, etc.)									
RJ currently transacts an average of 50,000 purchase transactions a month (Oct-Dec 2003), in January 2004 there were 77,275 purchase transactions. Existing confirm costs $ .62 each Adding a 2nd sheet (2 pages front & back) to existing confirm –	57,000	$	0.25	$	14,250	$	171,000	$	1,043,972
Cost B									
PIPS (Periodic Investments) for paper, printing, envelope & postage only. (does not include initial programming costs, data feeds, maintenance, archiving, etc)									
RJ currently transacts over 50,000 PIPs per month.									
If individual confirms required (besides customer's complaints for excessive paper) - 2 sheets, both sides	50,000	$	0.87	$	43,500	$	522,000	$	3,186,862
If disclosure added 1 page to the statement quarterly and the 50,000 were all separate clients then costs would be 50,000 pages @ $ .0875 = $ 4,375/quarter or $17,500 per year	50,000	$	0.088	$	4,375	$	17,500	$	106,839
Costs C									
PSD costs to produce the hardcopy for the client. Does not include programming, maintenance, data feeds, archiving, etc.)									
Assume 57,000 purchase transactions a month plus 50% for "consideration" that do not result in a trade.	85,500	$	1.05	$	89,775	$	1,077,300	$	6,577,024
If 2nd sheet for Explanatory information is required	85,500	$	0.16	$	13,680	$	164,160	$	1,002,213
Total for 2 sheet (4 pages) document = $1,241,460. per year									
Costs D									
PSD for Direct purchases that are then networked to level 4 accts									
Based on Jan 04 volume of 4,685 transactions	5,000	$	1.05	$	5,250	$	63,000	$	384,621
If 2nd sheet for Explanatory information is required	5,000	$	0.16	$	800	$	9,600	$	58,609
Total continuing costs - PIPs on confirms						$	2,007,060	$	12,253,302
Total continuing costs - PIPs on statements						$	1,502,560	$	9,173,279

Costs Estimates for new SEC Rules 15c2-2 15c2-3

	quantity	costs	monthly	yearly	5 yrs costs 10% growth
Annual programming maintenance, data feeds, archiving.					
Archiving - 2nd page of confirms	57,000		$ -	$ -	$ -
Archiving - additional page of statement - quarterly	50,000		$ -	$ -	$ -
Archiving - 1 page of PSD	85,500		$ -	$ -	$ -
Archiving - 1 page of PSD for Directs	5,000		$ -	$ -	$ -
Imaging - 1 page of PSD signed by client	90,500	$ 0.05	$ 4,525	$ 54,300	$ 331,507
Data feeds - info for comparison range disclosure			$ 5,000	$ 60,000	$ 366,306
Database - for correspondent info - maintain manually				$ 30,000	$ 183,153
Maintenance			$ -	$ -	$ -
Maintenance - Confirms (add parttime person)	87	$ 35.00	$ 3,033	$ 36,400	$ 222,226
Maintenance - PSD	173	$ 75.00	$ 12,975	$ 155,700	$ 950,564
Maintenance - Statements (will be included in existing team costs)			$ -	$ -	$ -
Maintenance - Annuities	173	$ 75.00	$ 12,975	$ 155,700	$ 950,564
				$ 492,100	$ 3,004,320
Grand Total continuing costs - with PIPs on statements				$ 1,994,660	$ 12,177,599

Initial programming costs.

Note: per hour costs include IT programming, BA, BPM and business expertise		manhours	per hour	costs
Database				
Modifications to CSS trade detail files	3mos	520	$ 120.00	$ 62,400
Modifications to SIS trade detail files	3mos	520	$ 120.00	$ 62,400
Modifications to Annuity detail files	3mos	520	$ 120.00	$ 62,400
Modifications to FA book files	3mos	520	$ 120.00	$ 62,400
Add net asset value				
Add public offering price				
Add net amount invested				
Add sales load retained by fund				
Add class of shares (A, B, C, etc)				
Will need additional detail if annuities must detail to the individual investment level				
New database for Revenue Sharing information	3mos	520	$ 120.00	$ 62,400
New database for portfolio brokerage	3mos	520	$ 120.00	$ 62,400
New database for correspondent information on revenue sharing/portfolio brokerage	3mos	520	$ 120.00	$ 62,400
New database for comparison range disclosure (pg 30).	3mos	520	$ 120.00	$ 62,400
Programming				
Receive & write the additional data to CSS files	3mos	520	$ 120.00	$ 62,400
Modify trade posting on SIS to write additional data to detail	3mos	520	$ 120.00	$ 62,400
Modify trade posting to FA Book for additional data	3mos	520	$ 120.00	$ 62,400
Additions to confirm	6mos			
Mutual funds		1,040	$ 120.00	$ 124,800
Annuities		1,040	$ 120.00	$ 124,800
UITs		1,040	$ 120.00	$ 124,800

Costs Estimates for new SEC Rules 15c2-2 15c2-3

Additions to statements	3 mos					
Mutual funds for PIPs		520	$	120.00	$	62,400
Annuities		520	$	120.00	$	62,400
UITs		520	$	120.00	$	62,400
Money Markets - Heritage sweeps		520	$	120.00	$	62,400
Money Markets - outside		520	$	120.00	$	62,400
New - PSD requirements	6 mos					
Mutual funds		1,040	$	120.00	$	124,800
Annuities		1,040	$	120.00	$	124,800
UITs		1,040	$	120.00	$	124,800
Including printing at the branch	3 mos	520	$	120.00	$	62,400
Delivering direct to client on Investor's Access		520	$	120.00	$	62,400
Total one-time programming costs		15,600			$	1,872,000