

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION
July 29, 2005

SECURITIES ACT OF 1933
Release No. 8597 / July 29, 2005

SECURITIES EXCHANGE ACT OF 1934
Release No. 52164 / July 29, 2005

INVESTMENT ADVISERS ACT OF 1940
Release No. 2411 / July 29, 2005

ADMINISTRATIVE PROCEEDING
File no. 3-11692

In the Matter of

RAYMOND JAMES FINANCIAL SERVICES, INC.
and
J. STEPHEN PUTNAM

ORDER
GRANTING
EXTENSION

I

On September 30, 2004, we issued an Order Instituting Proceedings (“OIP”) against Raymond James Financial Services, Inc., a wholly-owned subsidiary of Raymond James Financial, Inc. (“Raymond James”), which is registered with the Commission as a broker-dealer and investment adviser pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(a) of the Investment Advisers Act of 1940; and J. Stephen Putnam, who during the relevant period was the president and chief operating officer of Raymond James. 1/

The OIP alleged that Raymond James willfully violated Section 17(a) of the Securities Act of 1933, Exchange Act Section 10(b), and Exchange Act Rule 10b-5 in connection with a

1/ The OIP also named David Lee Ullom, formerly a branch office manager in the Raymond James office in Cranston, Rhode Island. Ullom subsequently consented to the settlement of this proceeding without admitting or denying the findings. Raymond James Financial Services, Inc., Order Making Findings and Imposing Remedial Sanctions pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Adviser Act of 1940 as to David Lee Ullom, Exchange Act Rel. No. 51090 (Jan. 28, 2005) 84 SEC Docket 2866.

scheme conducted by a Raymond James registered representative and other individuals to solicit investors to deposit funds in an account maintained in the name of Brite Business Corporation at Raymond James between November 1999 and March 2000. 2/ The Division of Enforcement alleges that a substantial portion of funds in the fraudulent business' account was "dissipated and never returned to investors." The OIP also alleged that Raymond James and Putnam failed reasonably to supervise the registered representative with a view to preventing his violations of the antifraud provisions. The OIP further alleged that Raymond James failed to preserve and furnish to Commission staff certain electronic mail in violation of Exchange Act Section 17(a) and Exchange Act Rule 17a-4. 3/

The OIP directed the presiding law judge to hold public hearings to take evidence regarding the allegations and the appropriate sanctions. The OIP further specified that, pursuant to Commission Rule of Practice 360(a)(2), 4/ the hearing officer should issue an initial decision in this proceeding no later than 300 days from the date of service of the OIP. The 300-day deadline specified in the OIP expires on August 1, 2005. On June 30, 2005, the Chief Administrative Law Judge filed a motion requesting that we extend the deadline for issuance of an initial decision by forty-five days -- until September 15, 2005 -- pursuant to Rule of Practice 360(a)(3). 5/

II

We adopted Rules of Practice 360(a)(2) and 360(a)(3) in 2003 as part of an effort to enhance the timely and efficient adjudication and disposition of Commission administrative proceedings. 6/ At that time, we determined that the adoption of mandatory deadlines for completion of administrative hearings would enhance timely completion of the adjudication process. In adopting those guidelines, however, we recognized that a "one size fits all" approach to timely disposition is not feasible." 7/ We therefore established three different deadlines -- 120, 210, or 300 days -- depending on "the nature, complexity, and urgency of the subject matter, and with due regard for the public interest and the protection of investors." 8/

2/ 15 U.S.C. § 77q; 15 U.S.C. § 78j; 17 C.F.R. § 240.10b-5.

3/ 15 U.S.C. § 78q; 17 C.F.R. § 240.17a-4.

4/ 17 C.F.R. § 201.360(a)(2).

5/ 17 C.F.R. § 201.360(a)(3). The hearing officer presiding in this proceeding also serves as the Chief Administrative Law Judge.

6/ See Adopting Release, Securities Act Rel. No. 8240 (June 11, 2003), 80 SEC Docket 1463.

7/ Id.

8/ 17 C.F.R. § 201.360(a)(2).

We further provided for the granting of extensions to those deadlines under certain circumstances. If, during the proceeding, the presiding hearing officer decides that the proceeding cannot be concluded in the time specified in the OIP, Rule 360(a)(3) provides that the hearing officer may request an extension of the stated deadline. To obtain an extension, the hearing officer should consult with the Chief Administrative Law Judge. "Following such consultation, the Chief Administrative Law Judge may determine, in his or her discretion, to submit a motion to the Commission requesting an extension." ^{9/} The motion should "explain[] why circumstances require an extension and specify[] the length of the extension." ^{10/} While we intend to grant extensions sparingly, we may authorize an extension on the basis of the Chief Administrative Law Judge's motion, if we determine that "additional time is necessary or appropriate in the public interest." ^{11/} We note, however, that a heavy docket alone will not ordinarily be cause for an extension.

The Chief Administrative Law Judge supports her extension request by indicating that the initial decision may not be issued within the specified time because she was "not able to work on the Initial Decision for several weeks in April and May" while the Office of Administrative Law Judges relocated to its new office space. The Chief Administrative Law Judge also indicates that her ability to issue an initial decision in this proceeding is made difficult by the demand of an unexpected hearing in an unrelated proceeding over which she is presiding. An initial decision in that proceeding is due, based on the applicable deadline for that case, on July 21, 2005. The Chief Administrative Law Judge also indicates that the record in this proceeding "consists of 3,637 pages of transcript, approximately 500 exhibits, and substantial briefs." ^{12/} In light of the complexity of the case, the scheduling conflict identified by the Chief Administrative Law Judge, and the reasonableness of the requested extension, we have determined to grant the motion.

Accordingly, IT IS ORDERED that the deadline for issuance of the initial decision in this matter be, and it hereby is, extended for forty-five days, until September 15, 2005.

By the Commission

Jonathan G. Katz
Secretary

^{9/} 17 C.F.R. § 201.360(a)(3).

^{10/} See Adopting Release at 1463.

^{11/} 17 C.F.R. §201.360(a)(3).

^{12/} On July 6, 2005, both the Division of Enforcement and Raymond James Financial Services submitted Statements In Support Of Motion For Extension.