RAYMOND JAMES FINANCIAL INC
Form 10-K
November 25, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2015
Or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number 1-9109
RAYMOND JAMES FINANCIAL, INC.
(Exact name of registrant as specified in its charter)

Florida	No. 59-1517485
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
880 Carillon Parkway, St. Petersburg, Florida	33716
(Address of principal executive offices)	(Zip Code)
Registrant’s telephone number, including area code	(727) 567-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 Par Value	New York Stock Exchange
6.90% Senior Notes Due 2042	New York Stock Exchange
Securities registered pursuant to Section 12(g) of the Act:	None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405) is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of March 31, 2015, the aggregate market value of the registrant’s common stock held by non-affiliates of the registrant computed by reference to the price at which the common stock was last sold was $7,216,031,146.

The number of shares outstanding of the registrant’s common stock as of November 20, 2015 was 143,148,705.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement to be delivered to shareholders in connection with the Annual Meeting of Shareholders to be held February 18, 2016 are incorporated by reference into Part III.

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PART I

Item 1. BUSINESS

Raymond James Financial, Inc. ("RJF" or the "Company") is a financial holding company whose broker-dealer subsidiaries are engaged in various financial services businesses, including the underwriting, distribution, trading and brokerage of equity and debt securities and the sale of mutual funds and other investment products. In addition, other subsidiaries of RJF provide investment management services for retail and institutional clients, corporate and retail banking, and trust services.

Established in 1962 and public since 1983, RJF has been listed on the New York Stock Exchange (the "NYSE") since 1986 under the symbol "RJF". As a financial holding company, RJF is subject to the oversight and periodic examination of the Board of Governors of the Federal Reserve System (the "Fed").

Through its operations which are predominately conducted in the United States of America (the "U.S.") and Canada, RJF's principal subsidiaries include Raymond James & Associates, Inc. ("RJ&A"), Raymond James Financial Services, Inc. ("RJFS"), Raymond James Financial Services Advisors, Inc. ("RJFSA"), Raymond James Ltd. ("RJ Ltd."), Eagle Asset Management, Inc. ("Eagle"), and Raymond James Bank, N.A. ("RJ Bank"). All of these subsidiaries are wholly owned by RJF. RJF and its subsidiaries are hereinafter collectively referred to as "our," "we" or "us."

Among the keys to our historical and continued success, our emphasis on putting the client first is at the core of our corporate values. We also believe in maintaining a conservative, long-term focus in our decision making. We believe that this disciplined decision-making approach translates to a strong, stable financial services firm for clients, advisors, associates and shareholders.

REPORTABLE SEGMENTS

We currently operate through four operating segments and our "Other" segment. The four operating segments include "Private Client Group" (or "PCG"), "Capital Markets," "Asset Management," and RJ Bank. The Other segment captures principal capital and private equity activities as well as certain corporate overhead costs of RJF.

The graphic below provides an indication of the relative net revenue contribution associated with each of our operating segments in the most recent fiscal year.

*Chart above does not include intersegment eliminations or the Other segment.

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PRIVATE CLIENT GROUP

We provide financial planning and securities transaction services to more than 2.7 million client accounts through the branch office systems of RJ&A, RJFS, RJFSA, RJ Ltd. and in the United Kingdom ("UK") through Raymond James Investment Services Limited ("RJIS"). Financial advisors have multiple affiliation options, which we refer to as AdvisorChoice.

Experienced financial advisors are recruited from a wide variety of competitors. As a part of their agreement to join us, we may make loans to financial advisors and to certain key revenue producers, primarily for recruiting, transitional cost assistance, and retention purposes.

Our two primary affiliation options are either the employee or an independent contractor financial advisor option.

Total assets under administration in the PCG segment as of September 30, 2015 amount to $453.3 billion. We have 6,596 financial advisors affiliated with us as of September 30, 2015.

Employee Financial Advisors

Traditional employee financial advisors work in a traditional branch setting supported by local management and administrative staff. They provide services predominately to individual clients. These financial advisors are employees and their compensation primarily includes commission payments and participation in the firm's benefit plans.

Independent Contractors

Independent contractors are responsible for all of their direct costs and, accordingly, are paid a larger percentage of commissions and fees than employee financial advisors. Our independent contractor financial advisor option is designed to help our advisors build their businesses with as much or as little of our support as they determine they need. With specific approval, they are permitted to conduct, on a limited basis, certain other approved business activities such as offering insurance products, independent registered investment advisory services, and accounting and tax services.

Over the past several fiscal years, the mix of securities commissions and fees revenues originating from the employee versus the independent contractor affiliation option has become more balanced, partially due to our fiscal year 2012 acquisition of Morgan Keegan (as hereinafter defined) which operated an employee financial advisor business model. Irrespective of the affiliation choice, our financial advisors offer a broad range of investments and services, including both third party and proprietary products, and a variety of financial planning services. Revenues of this segment are typically driven by total client assets under administration, and are generally either recurring fee-based or transactional in nature.

Securities commissions and fees revenues by affiliation, as well as the portion of total segment revenues that are recurring versus transactional in nature, for the twelve months ended September 30, 2015, respectively, are presented below:

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A summary of the services we provide that are captured in this segment include the following:

- We provide investment services for which we charge sales commissions or asset-based fees based on established schedules.
- We offer investment advisory services under various financial advisor affiliation options. Fee revenues for such services are computed as either a percentage of the assets in the client account, or a flat periodic fee charged to the client for investment advice.
- The majority of our U.S. financial advisors are licensed to sell insurance and annuity products through our general insurance agency, Raymond James Insurance Group, Inc. ("RJIG").
- Our U.S. financial advisors offer a number of professionally managed load mutual funds, as well as a selection of no-load mutual funds.
- Clients' transactions in securities are affected on either a cash or margin basis. These margin loans to clients are collateralized by the securities purchased or by other securities owned by the client. Interest is charged to clients on the amount borrowed. The interest rate charged to a client on a margin loan is based on current interest rates and on the outstanding amount of the loan.
- We provide certain custodial, trading, research and other back office support and services (including access to clients' account information and the services of the Asset Management segment) to the independent contractor registered investment advisors with whom we are affiliated.
- We conduct securities lending activities through our RJ&A subsidiary, where we borrow and lend securities from and to other broker-dealers, financial institutions, and other counterparties. Generally, we conduct these activities as an intermediary (referred to as "Matched Book"). However, RJ&A will also loan client marginable securities held in a margin account containing a debit (referred to as lending from the "Box") to counterparties. The borrower of the securities puts up a cash deposit on which interest is earned. The lender in turn receives cash and pays interest. The net revenues of the securities lending business are the interest spreads generated on these activities.
- Through our Alternative Investments Group, we provide diversification strategies and products to qualified clients of our affiliated financial advisors. The Alternative Investments Group provides strategies and products for portfolio investment allocation opportunities where a selective addition of alternative investments that have historically demonstrated lower correlation to traditional market indices may reduce overall portfolio volatility through diversification and increase long-term portfolio performance through a variety of market conditions.

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CAPITAL MARKETS

Activities conducted in our capital markets segment include: institutional sales, securities trading, equity research, investment banking, syndicate, and the syndication of investments that qualify for tax credits under Section 42 of the Internal Revenue Code. Within our management structure, we distinguish between activities that support equity and fixed income products and services. We primarily conduct these activities in the U.S., Canada, and Europe.

The graphic below provides an indication of the relative portion of this segment's revenues that are associated with equity securities and products, fixed income securities and products, and our tax credit fund syndication activities.

A summary of the services we provide that are captured in this segment include the following:

Equity Capital Markets activities

- Institutional sales commissions are earned on equity products fueled by a combination of general market activity and the Capital Markets group's ability to identify and promote attractive investment opportunities for our institutional clients. Commission amounts on equity transactions are based on trade size and the amount of business conducted annually with each institution.

- We provide various investment banking services through activities including public and private equity financing for corporate clients, and merger and acquisition advisory services. Our investment banking activities provide a comprehensive range of strategic and financial advisory services tailored to our clients' business life cycles and backed by our strategic industry focus.

- In our syndicate operations, professionals coordinate the marketing, distribution, pricing and stabilization of lead and co-managed equity underwritings. In addition to lead and co-managed offerings, this department coordinates the firm's syndicate and selling group activities in transactions managed by other investment banking firms.

- Analysts in our domestic research department support our institutional and retail sales efforts and publish research on certain companies. This research primarily focuses on U.S. and Canadian companies in specific industries including agricultural, consumer, energy, clean energy, energy services, financial services, healthcare, industrial, mining and natural resources, forest products, real estate, technology, and communication and transportation. Proprietary industry studies and company-specific research reports are made available to both institutional and individual clients.

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Fixed Income activities

- Institutional sales commissions are earned on fixed income products from institutional clients who purchase both taxable and tax-exempt fixed income products, primarily municipal, corporate, government agency and mortgage-backed bonds. Commission amounts on fixed income products are based on trade size and the characteristics of the specific security involved.

- We carry inventories of taxable and tax-exempt securities to facilitate institutional sales activities. We trade both taxable and tax-exempt fixed income securities primarily for the purpose of facilitating such sales. The taxable and tax-exempt fixed income traders purchase and sell corporate, municipal, government, government agency, and mortgage-backed bonds, asset-backed securities, preferred stock, and certificates of deposit from and to our clients or other dealers.

- Our fixed income investment banking services include public finance and debt underwriting activities where we serve as a financial advisor, placement agent or underwriter to various issuers who include municipal agencies (including political subdivisions), housing developers, and non-profit health care institutions. We may also act as a consultant, underwriter, or selling group member for corporate bonds, mortgage-backed securities (“MBS”), whole loans, agency bonds, preferred stock and unit investment trusts. When underwriting new issue securities, we may agree to purchase the issue through a negotiated sale or submit a competitive bid.

- To facilitate client transactions, hedge a portion of our fixed income securities inventories, or to a limited extent for our own account, we enter into interest rate swaps, futures contracts, and forward foreign exchange contracts as part of our fixed income business activities. In addition, we conduct a “matched book” derivatives business where we may enter into derivative transactions, including interest rate swaps, options, and combinations of those instruments, primarily with government entities and not-for-profit counterparties. In this matched book business, for every derivative transaction we enter into with a client, we enter into an offsetting derivative transaction with a credit support provider who is a third party financial institution.

- Through our fixed income public finance operations, we enter into forward commitments to purchase Government National Mortgage Association (“GNMA”), or Federal National Mortgage Association (“FNMA”), MBS. The MBS securities are issued on behalf of various state and local housing finance agencies (“HFA”) clients and consist of the mortgages originated through their lending programs.

Tax Credit Fund investment syndication activities

- In our syndication of tax credit investments, one of our subsidiaries is the general partner or managing member in partnerships and limited liability companies that invest in real estate project entities which qualify for tax credits under Section 42 of the Internal Revenue Code. We earn fees for the origination and sale of these investment products to investors as well as for oversight and management of the investments over the statutory tax credit compliance period.

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ASSET MANAGEMENT

Our Asset Management segment operations include Eagle, the Eagle Family of Funds (“Eagle Funds”), asset management operations conducted within our asset management services division for the benefit of our PCG clients (referred to as “AMS”), Raymond James Trust, National Association (“RJ Trust”) a wholly owned subsidiary of RJF, and other fee-based programs. We generate revenues in this segment by providing investment advisory and asset management services to either individual or institutional investment portfolios, along with mutual funds. Investment advisory fee revenues are earned on the assets held in either managed or non-discretionary asset-based programs. As of September 30, 2015, there were $65.2 billion in financial assets held in managed programs and $91.0 billion in financial assets held in non-discretionary asset-based programs.

In managed programs, we are making decisions, in accordance with such programs objectives, about how to invest the assets held in such programs. In non-discretionary asset-based programs, we are providing administrative support to each plan, providing as an example, trade execution, record-keeping, and periodic investor reporting, for assets held in such programs. We generally earn higher fees for managed programs than we do for non-discretionary asset-based programs, which is to be expected given that additional services are provided to managed programs, most notably investment advice.

The graphic below provides the financial assets under management in managed programs by objective.

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RJ BANK

RJ Bank provides corporate, securities based loans ("SBL") and residential loans, as well as Federal Deposit Insurance Corporation ("FDIC") insured deposit accounts, to clients of our broker-dealer subsidiaries and to the general public. RJ Bank is active in corporate loan syndications and participations. RJ Bank generates net interest revenue principally through the interest income earned on loans and investments, which is offset by the interest expense it pays on client deposits and on its borrowings.

RJ Bank operates primarily from a branch location adjacent to RJF's corporate office complex in St. Petersburg, Florida. Access to RJ Bank's products and services is available nationwide through the offices of our affiliated broker-dealers as well as through electronic banking services. RJ Bank's assets include commercial and industrial ("C&I") loans, commercial and residential real estate loans, tax-exempt loans, as well as loans fully collateralized by marketable securities. Corporate loans represent approximately 75% of RJ Bank's loan portfolio of which 90% are U.S. and Canadian syndicated loans. Residential mortgage loans are originated and held for investment or sold in the secondary market. RJ Bank's liabilities primarily consist of deposits that are cash balances swept from the investment accounts of PCG clients.

RJ Bank has total assets of $14.2 billion at September 30, 2015, which are comprised of the following:

OTHER

Our other segment includes our principal capital and private equity activities as well as certain corporate overhead costs of RJF including the interest cost on our public debt, and the acquisition and integration costs associated with our material acquisitions including, most significantly in fiscal years 2013 and 2012, Morgan Keegan (as hereinafter defined).

Our principal capital and private equity activities include various direct and third party private equity investments; employee investment funds (the "Employee Funds"); and various private equity funds which we sponsor.

On April 2, 2012 (the "Closing Date"), RJF completed its acquisition of all of the issued and outstanding shares of Morgan Keegan & Company, Inc. ("MK & Co."), and MK Holding, Inc. and certain of its affiliates (collectively referred to hereinafter as "Morgan Keegan") from Regions Financial Corporation ("Regions"). In mid-February 2013, we completed the transfer of all of the active businesses of MK & Co. to RJ&A.

EMPLOYEES AND INDEPENDENT CONTRACTORS

Our employees and independent contractors (collectively referred to hereinafter as "associates"), are vital to our success in the financial services industry. As of September 30, 2015, we had approximately 11,000 employees, and more than 3,850 independent contractor financial advisors with whom we are affiliated.

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OPERATIONS AND INFORMATION PROCESSING

We have operations personnel who are responsible for the processing of securities transactions, custody of client securities, support of client accounts, receipt, identification and delivery of funds and securities, and compliance with certain regulatory and legal requirements for most of our U.S. securities brokerage operations through locations throughout the United States. RJ Ltd. operations personnel have similar responsibilities at our Canadian brokerage operations located in Vancouver, British Columbia.

The information technology department develops and supports the integrated solutions that provide a differentiated platform for our business. This platform is designed to allow our financial advisors to spend more time with their clients and enhance and grow their business.

In the area of information security, we have developed and implemented a framework of principles, policies and technology to protect both our own information assets as well as those we have pertaining to our clients. Safeguards are applied to maintain the confidentiality, integrity and availability of both client and Company information.

Our business continuity program has been developed to provide reasonable assurance of business continuity in the event of disruptions at our critical facilities. Business departments have developed operational plans for such disruptions, and we have a staff which devotes their full time to monitoring and facilitating those plans. Our business continuity plan continues to be enhanced and tested to allow for continuous business processing in the event of weather-related or other interruptions of operations at our corporate headquarters in Florida, or one of our operations processing or data center sites in Florida, Colorado, Tennessee and Michigan.

We have also developed a business continuity plan for each of our PCG retail branches in the event any of these branches are impacted by severe weather.

COMPETITION

We are engaged in intensely competitive businesses. We compete with many financial services firms, including a number of larger securities firms, most of which are affiliated with major financial services companies, insurance companies, banking institutions and other organizations. We also compete with a number of firms offering web-based financial services and discount brokerage services, usually with lower levels of service, to individual clients. We compete principally on the basis of the quality of our associates, service, product selection, location and reputation in local markets.

In the financial services industry, there is significant competition for qualified associates. Our ability to compete effectively in these businesses is substantially dependent on our continuing ability to attract, retain and motivate qualified associates, including successful financial advisors, investment bankers, trading professionals, portfolio managers and other revenue producing or specialized personnel.

REGULATION

RJF is subject to the oversight and periodic examination of the Fed. RJ Bank is a national bank regulated by the Office of the Comptroller of the Currency (“OCC”), the Fed, the FDIC, and the Consumer Financial Protection Bureau (“CFPB”). Our broker-dealer subsidiaries are subject to various regulatory authorities which are discussed in the “other regulations applicable to our operations” portion of this section.

The following discussion sets forth some of the material elements of the regulatory framework applicable to the financial services industry and provides some specific information relevant to us. The regulatory framework is intended primarily for the protection of our clients, customers, the securities markets, our depositors and the Federal Deposit Insurance Fund and not for the protection of our creditors or shareholders. Under certain circumstances, these rules may limit our ability to make capital withdrawals from RJ Bank or our broker-dealer subsidiaries.

To the extent that the following information describes statutory and regulatory provisions, it is qualified in its entirety by reference to the particular statutory and regulatory provisions. A change in applicable statutes, regulations or regulatory policy may have a material effect on our business.

The financial services industry in the United States is subject to extensive regulation under U.S. federal and state laws.

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New rules and regulations resulting from the Dodd-Frank Act

In July 2010, the U.S. government enacted financial services reform legislation known as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The Dodd-Frank Act enacted sweeping changes in the supervision and regulation of the financial industry designed to provide for greater oversight of financial industry participants, reduce risk in banking practices and in securities and derivatives trading, enhance public company corporate governance practices and executive compensation disclosures, and provide greater protections to individual consumers and investors. Certain elements of the Dodd-Frank Act became effective immediately; however, the details of some provisions remain subject to implementing regulations that are yet to be adopted by various applicable regulatory agencies. Furthermore, many provisions of the Dodd-Frank Act are still subject to further rule making procedures and studies and will take effect over several years.

The Dodd-Frank Act instructs U.S. federal banking and other regulatory agencies to conduct hundreds of rule-makings, studies and reports. These regulatory agencies include: the Commodity Futures Trading Commission (the "CFTC"); the Securities and Exchange Commission (the "SEC"); the Fed; the OCC; the FDIC; the CFPB; and the Financial Stability Oversight Council (the "FSOC"). As a result of Dodd-Frank Act rule-making and other regulatory reforms, we are currently experiencing a period of unprecedented change in financial regulation and these changes could have a significant impact on how we conduct certain aspects of our business. Given that much of this regulatory development remains in a state of flux, we cannot specifically quantify the potential impact that such regulations will have on our business and operations (see Item 1A, "Risk Factors," within this report for further discussion of the potential future impact on our operations). Some of the changes that have been enacted under the Dodd-Frank Act thus far include the following:

- Since RJ Bank provides deposits covered by FDIC insurance, generally up to $250,000 per account ownership type, RJ Bank is subject to the Federal Deposit Insurance Act. In February 2011, under the provisions of the Dodd-Frank Act, the FDIC issued a final rule changing its assessment base in addition to other minor adjustments. For banks with more than $10 billion in assets, the FDIC's new rule changed the assessment rate calculation, which relies on a scorecard designed to measure financial performance and ability to withstand stress in addition to measuring the FDIC's exposure should the bank fail. This new rule became effective for RJ Bank beginning with the December 2013 assessment period.

- In July 2011, pursuant to the Dodd-Frank Act, the CFPB began operations and was given rulemaking authority for a wide range of consumer protection laws that would apply to all banks and provide broad powers to supervise and enforce federal consumer protection laws. The CFPB has supervisory and enforcement powers under the following consumer protection laws: the Equal Credit Opportunity Act; the Truth in Lending Act; Real Estate Settlement Procedures Act; Fair Credit Reporting Act; Fair Debt Collection Act; the Consumer Financial Privacy provisions of the Gramm-Leach-Bliley Act and certain other statutes. At the beginning of fiscal year 2014, the CFPB assumed regulatory authority over RJ Bank for its compliance with various federal consumer protection laws. The CFPB has proposed and finalized many rules since its establishment; the majority of those became effective in early fiscal year 2014. The CFPB has authority to promulgate regulations, issue orders, draft policy statements, conduct examinations, and bring enforcement actions. The creation of the CFPB has led to enhanced enforcement of consumer protection laws. Although the ultimate impact of this heightened scrutiny is uncertain, it could result in changes to pricing, practices, products and procedures. It could also result in increased costs related to regulatory oversight, supervision and examination, remediation efforts and possible penalties.

- Moreover, in October 2012, under the provisions of the Dodd-Frank Act, the Fed, FDIC and OCC jointly issued final rules requiring certain bank holding companies, state member banks, and savings and loan companies with total assets between $10 billion and $50 billion to conduct annual company-prepared stress tests, report the results to their primary regulator and the Fed, and publish a summary of the results. Under the rules, stress tests must be conducted using certain scenarios (baseline, adverse, and severely adverse), which the Fed provides each year. RJF was required to conduct its first stress test by March 31, 2014. We submitted our initial stress testing results, utilizing data as of September 30, 2013, to the Fed on March 31, 2014. The Dodd-Frank Act also required that RJF begin publicly disclosing a summary of certain stress test results no later than June 30, 2015 for the stress test cycle beginning on October 1, 2014. RJF publicly disclosed the required summary of its stress test results on June 29, 2015, in accordance with the abovementioned stress testing requirements.

- The Volcker Rule:

Under the provisions of the Dodd-Frank Act, Congress adopted the "Volcker Rule," which generally prohibits, subject to exceptions, insured depository institutions, bank holding companies and their affiliates (together, "Banking Entities") from engaging in "proprietary trading" or acquiring or retaining an ownership interest in a hedge fund or private equity fund ("covered funds"). In December 2013, the CFTC, the OCC, the Fed, the FDIC, and the SEC adopted a final version

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of the Volcker Rule. Certain elements of the final rule provide for phasing-in over time. However, based upon our latest analysis and understandings of these regulations, we do not anticipate that the Volcker Rule will have a material impact on our results of operations. Nevertheless, due to its complexity and scope, we continue to review the details contained in the Volcker Rule to assess its impact on our operations.

The Volcker Rule prohibits Banking Entities from engaging in proprietary trading, and imposes limitations on the extent to which Banking Entities are permitted to invest in certain "covered funds" (e.g., hedge funds and private equity funds, among others) and requires that such investments be fully deducted from Tier 1 capital. "Proprietary trading" is defined as engaging as principal for the trading account of the banking entity in the purchase or sale of a financial instrument. Under the Volcker Rule's per-fund limits, a Banking Entity's aggregate ownership in hedge funds and private equity funds cannot exceed three percent of Tier 1 capital, although the impact of such limit to RJF's investment portfolio is subject to further analysis. Additionally, Banking Entities engaged in proprietary trading and/or covered fund investments must establish a Volcker Rule-specific compliance program. Congress provided an exemption for certain permitted activities of Banking Entities, such as underwriting, market making, hedging, and risk management.

The Volcker Rule became effective as of April 1, 2014 and all covered entities, including RJF, were required to conform to the Volcker Rule's provisions on July 21, 2015 (the "conformance period"). However, on December 18, 2014, the Fed issued an order extending for an additional year the Volcker Rule conformance period for Banking Entities to conform their investments in and relationships with covered funds that may be subject to the Volcker Rule, and were in place prior to December 31, 2014 ("Legacy Funds"). The order also announced the Fed's intention to grant an additional one-year extension of the conformance period until July 21, 2017. This extension, however, only applies to Legacy Funds. No extension was granted for the conformance period for proprietary trading activities. Banking Entities may still apply for an additional five-year extension for continued investments with respect to an illiquid fund. Such an extension will only be granted after a demonstration that the investment is necessary to fulfill a contractual commitment effective on May 1, 2010.

We currently maintain a number of private equity investments, some of which meet the definition of "covered funds" and therefore are subject to certain limitations under the covered funds provisions of the Volcker Rule. The amount of future investments of this nature that we may make may be limited in order to maintain compliance levels specified by the Volcker Rule. Further, subsequent interpretations of what constitutes "covered funds" under the final Volcker Rule may adversely impact our operations. The recent extension of the conformance deadline provides us additional time to assess our holdings in the context of the new regulations and execute appropriate strategies to be in conformance with the Volcker Rule.

•	In July 2013, the OCC, the Fed and the FDIC released final United States Basel III regulatory capital rules implementing the global regulatory capital reforms of Basel III and certain changes required by the Dodd-Frank Act. The rule increases the quantity and quality of regulatory capital, establishes a capital conservation buffer, and makes selected changes to the calculation of risk-weighted assets. The rule became effective for RJF on January 1, 2015, subject to a phase-in period for several aspects of the rule, including the new minimum capital ratio requirements, the capital conservation buffer, and certain regulatory capital adjustments and deductions. While we continue to evaluate the impact of these rules on both RJF and RJ Bank, based on our current analyses, we believe that both RJF and RJ Bank meet all capital adequacy requirements under the final rules.	6,712,398

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Total investments at fair value	$ 7,175,664	$ 220,526	$ —	$ 7,396,190

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Shawnlee Construction LLC 401(k) Plan

Notes to Financial Statements (continued)

	Investment Assets at Fair Value as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Common stocks	$568,900	$—	$—	$568,900
Common collective trust funds		255,243		255,243
Mutual funds:				
Bond funds	137,867			137,867
Target funds	810,723			810,723
Domestic stock funds	3,643,384			3,643,384
International stock funds	1,819,068			1,819,068
Total mutual funds	6,411,042			6,411,042
Total investments at fair value	$6,979,942	$255,243	$—	$7,235,185

Individual investments that represent 5% or more of the fair value of the Plan's assets are as follows:

	December 31	
	2014	2013
Thornburg International Value Fund	$1,687,551	$1,819,068
JPMorgan Large Cap Growth Fund	1,798,989	1,714,242
Universal Forest Products Common Stock	463,266	568,900
T. Rowe Price Retirement Income Fund	389,895	456,603
Vanguard 500 Index Fund	818,221	697,516
Invesco Growth and Income Fund	614,327	558,983
Neuberger Berman Genesis Fund	598,103	587,577

5. Income Tax Status

The Plan was amended and restated as an individually designed plan effective January 1, 2014. The Plan has not received a determination letter specific to the Plan itself. The amended and restated Plan is a "post-EGTRRA" document, and the Plan Sponsor will submit the Plan for a determination letter during the post-EGTRRA 5-year determination letter cycle for the Plan, which ends April 30, 2016. The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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Shawnlee Construction LLC 401(k) Plan

Notes to Financial Statements (continued)

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

6. Difference Between Financial Statements and Form 5500

The following is a reconciliation of assets available for benefits per the financial statements to the Form 5500:

	December 31 2014	December 31 2013
Net assets available for benefits from the financial statements	$7,711,234	$7,621,662
Net adjustment to fair value for fully benefit responsive investment contracts	1,898	832
Assets available for benefits from the Form 5500	$7,713,132	$7,622,494

The following is a reconciliation of the net increase in net assets per the financial statements to the net income from the Form 5500:

	December 31 2014	December 31 2013
Net increase in net assets from the financial statements	$125,340	$1,131,267
2014 Net adjustment to fair value for fully benefit responsive investment contracts	1,898	—
2013 Net adjustment to fair value for fully benefit responsive investment contracts	(832)	832
2012 Net adjustment to fair value for fully benefit responsive investment contracts	—	(4,310)
Net income from the Form 5500	$126,406	$1,127,789

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Shawnlee Construction LLC 401(k) Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

EIN #03-0537439 Plan #001

December 31, 2014

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including, Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
	Common stock:		
*	Universal Forest Products, Inc.	Universal Forest Products Common Stock	$463,266
	Common collective trust funds:		
	Union Bond & Trust Company	Stable Value Fund	220,526
	Mutual funds:		
	JP Morgan	Large Cap Growth Fund	1,798,989
	Vanguard	Midcap Index Fund	155,931
	Pimco	Total Return Fund	142,177
	Thornburg	International Value Fund	1,687,551
	Neuberger Berman	Genesis Fund	598,103
	Invesco	Growth and Income Fund	614,327
	Vanguard	500 Index Fund	818,221
	T. Rowe Price	Retirement 2050 Fund	175,849
		Retirement 2040 Fund	196,772
		Retirement 2030 Fund	99,919
		Retirement 2020 Fund	34,664
		Retirement Income Fund	389,895
			6,712,398
			7,396,190
*	Notes receivable from participants	Collateralized by vested account balances, payable in monthly installments with an interest rate of 5.25%	303,625
			$7,699,815

* Indicates a party-in-interest to the Plan.

Note: Column (d), cost, is not applicable, as all investments are participant-directed.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Shawnlee Construction LLC, as Plan Administrator, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

	Shawnlee Construction LLC 401(k) Plan
Date: June 24, 2015	/s/ Gerald Simmer Gerald Simmer, Shawnlee Construction LLC, Plan Administrator

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EXHIBIT INDEX

Exhibit No.	Description
23	Consent of BDO USA, LLP