

Statement of Financial Condition
(Expressed in United States dollars)

RAYMOND JAMES (USA) LTD.

Six months ended March 31, 2014

Unaudited

RAYMOND JAMES (USA) LTD.

Statement of Financial Condition

(Expressed in United States dollars)

Unaudited - Provided as required by SEC Rule 17a - 5

March 31, 2014

| | 2014 |
|---|---------------------------|
| Assets | |
| Cash and cash equivalents | \$ 5,440,975 |
| Deposits in compliance with reserve requirements (note 3) | 3,026,642 |
| Clients and brokers receivable (note 5) | 27,196,995 |
| Due from related party (note 5) | 166,494 |
| Other assets | 48,080 |
| | <hr/> \$ 35,879,186 <hr/> |
| Liabilities and Stockholder's Equity | |
| Clients and brokers payable (note 5) | \$ 26,836,179 |
| Other accounts payable | 386,382 |
| | <hr/> 27,222,561 <hr/> |
| Stockholder's equity: | |
| Capital stock (note 4) | 1,045,000 |
| Retained earnings | 7,611,625 |
| | <hr/> 8,656,625 <hr/> |
| | <hr/> \$ 35,879,186 <hr/> |

See accompanying notes to the Statement of Financial Condition

RAYMOND JAMES (USA) LTD.

Notes to the Statement of Financial Condition
(Expressed in United States dollars)
(Unaudited)
Six months ended March 31, 2014

1. Operations:

Raymond James (USA) Ltd. (the "Company") is incorporated under the Canada Business Corporations Act. The Company was previously incorporated under the laws of the State of New York, U.S.A., then merged with a newly incorporated Arizona company for purposes of continuance as an existing corporation under the Canada Business Corporations Act on September 15, 2006. The Company is registered as a broker in the United States of America and is a wholly owned subsidiary of Raymond James Ltd., a Canadian registered investment dealer and member of Investment Industry Regulatory Organization of Canada ("IIROC"), Canadian Investor Protection Fund, the Toronto Stock Exchange, TSX Venture Exchange and the Montreal Exchange.

The Company is a broker-dealer registered with the United States Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority ("FINRA"), and Securities Investor Protection Corporation.

2. Significant accounting policies:

(a) Financial statement presentation:

The financial statements are presented in accordance with accounting principles generally accepted in United States of America.

(b) Securities transactions:

The Company records its agency securities transactions on a trade date basis.

(c) Income taxes:

The Company follows the asset and liability method in accounting for income taxes which requires the recording of deferred assets and liabilities to recognize the expected future tax consequences of events that have been reflected in the Company's financial statements or tax returns and the adjustment of deferred tax balances to reflect tax rate changes. As at March 31, 2014, the Company's tax basis in its assets and liabilities was equal to its financial statement basis amounts for such assets and liabilities.

(d) Cash and cash equivalents:

Cash equivalents are investments that are held for less than 90 days and are readily convertible into known amounts of cash.

(e) Financial instruments:

The carrying value of cash and term deposits, deposits in compliance with reserve requirements, clearing deposits, clients and brokers receivable, other assets, due to/from related party, clients and brokers payable and other accounts payable approximate their carrying value due to the short-term maturities of these instruments.

RAYMOND JAMES (USA) LTD.

Notes to the Statement of Financial Condition
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2. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

3. Deposits in compliance with reserve requirements:

The deposit of \$3,026,642 cash at March 31, 2014 is held in compliance with reserve requirements. The amount required to be held on deposit under the reserve computation is \$33,190, and is restricted.

4. Capital stock:

| | 2014 |
|--|--------------|
| Authorized: | |
| 200 voting common shares without par value | |
| Issued: | |
| 200 common shares | \$ 1,045,000 |

5. Related party transactions:

Pursuant to an agreement dated March 1, 2008 between the Company and its parent Raymond James Ltd. ("RJL"), all securities and cash settlements with institutional clients, accounting, record keeping and regulatory processing and reporting services are provided to the Company by RJL. In consideration for these services, RJL receives 50% of all gross commissions and other fees earned with respect to trades conducted for institutional clients of Raymond James (USA) Ltd. In addition Raymond James (USA) Ltd. is responsible for all direct expenses and an allocation of operating expenses based on proportionate use. Fees are reviewed annually for reasonableness and consistent application.

Prior to March 1, 2008, commissions were allocated 90% to Raymond James Ltd. and 10% to Raymond James (USA) Ltd. as consideration for the services provided by RJL. The allocation was considered reasonable compensation for the various services provided.

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5. Related party transactions (continued):

During the six months ended March 31, 2014, commissions and operating costs of \$3,649,883 were payable to RJL. As at March 31, 2014, the Company has \$166,494 receivable from RJL. In addition, clients and brokers receivable include amounts due from RJL of \$12,707,125.

6. Net capital requirement:

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule which requires that the minimum net capital shall be the greater of \$250,000 or 2% aggregate debit items pursuant to Rule 15c3-3. At March 31, 2014, the Company had net capital pursuant to Rule 15c3-1 of \$8,441,770 which was \$8,191,770 in excess of its net capital requirement of \$250,000.

8. Liabilities subordinated to the claims of general creditors:

As at and during the six months ended March 31, 2014 the Company had no liabilities which were subordinated to the claims of general creditors.

RAYMOND JAMES (USA) LTD.

Computation of Net Capital Pursuant to SEC Rule 15c3-1
(Expressed in United States dollars)
(Unaudited)
March 31, 2014

Schedule 1

| | 2014 |
|------------------------------|--------------|
| Total capital: | |
| Total ownership equity | \$ 8,656,625 |
| Deductions: | |
| Non-allowable assets: | |
| Due from related party, net | 166,494 |
| Other Assets | 48,080 |
| Aged fail to deliver | - |
| Other deductions | 281 |
| Total deductions | 214,855 |
| Net capital | 8,441,770 |
| Minimum net capital required | 250,000 |
| Excess net capital | \$ 8,191,770 |

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Computation for Determination of Reserve Requirements Pursuant to SEC Rule 15c3-3 Schedule 2
(Expressed in United States dollars)
(Unaudited)
March 31, 2014

As at March 31, 2014, the Company is subject to the reserve requirements under Rule 15c3-3 of the Securities Exchange Act of 1934. Under Rule 15c3-3, the excess of total credits over total debits was \$33,190. Therefore, the minimum reserve required under 15c3-3 as at March 31, 2014 is \$33,190. As a March 31, 2014, the Company had \$3,026,642 in cash on deposit in compliance with reserve requirements.