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Who's Been Skinny Dipping and Who's Not?

by Ed Dower



For the past 8 months or so through these newsletters I've tried to provide a steady hand on the tiller as the financial markets navigated the uncharted and treacherous waters of the financial challenges that threatened to swamp our boats during this long and deep recession.

One after another financial institutions long regarded icons of strength and stability teetered, fell, merged or were bailed out. Bear Stearns, Lehman Brothers, Merrill Lynch, AIG, Fanny Mae and Freddy Mac, Washington Mutual, Wachovia, Wells Fargo, Citigroup and Bank of America to name a few of the largest firms.

Speaking about the hidden risks large firms were taking that brought us so close to the brink; Warren Buffett repeated his often quoted statement, "Only when the tide goes out do you discover who's been swimming naked." In 2008 the tide definitely went out and the skinny dippers were exposed!

The retreating tide of 2008 revealed not only who was skinny-dipping, but perhaps more importantly who was not. This month I'm going to play Paul Harvey and tell you at least part of "the rest of the story."

Throughout 2008, as other financial firms reported record losses, filed for bankruptcy, etc. Raymond James Financial, Inc. remained profitable and avoided many of the problems that brought industry giants to their knees. In fact, Raymond James has remained profitable during the worst period that it has experienced since 1973-75. Raymond James' continuing strength and stability stem directly from the key principles on which the company was founded—service, integrity, and conservative management.

When Raymond James was founded in 1962, it was meant to be a different kind of financial services firm. While other firms were simply buying and selling stocks or mutual funds, Raymond James focused on financial planning for the individual. It was a novel approach, because advisors based their investment recommendations on a full understanding of each client's situation and goals, enabling informed choices to be made. Such client service has been a hallmark of Raymond James since its beginnings.

Close observers of the financial services industry have long recognized the strengths of Raymond James. The following is a partial list of 2008 honors.

- In July, Raymond James ranked "Highest in Investor Satisfaction with Full Service Brokerage Firms in the J.D. Power and Associates 2008 Full Service Investor Satisfaction StudySM". (1) The results are a demonstration of the very high level of service we strive to achieve.
- In September, Raymond James ranked "Highest in Employee Advisor Satisfaction Among Financial Investment Firms in a Tie" in the J.D. Power and Associates 2008 Financial Advisor Satisfaction StudySM". (2)
- In June, Raymond James was ranked in first place among full-service brokers in the *SmartMoney* Annual Broker Survey for customer satisfaction and account statements. (3)
- In March 2008, *Forbes* magazine listed Raymond James as the only investment services firm among the large- cap and mid-cap companies in its 2008 ranking of "America's Most Trustworthy Companies." (4) Please visit Forbes.com for more details.
- In December, Raymond James was named one of *Forbes* magazines "400 Best Big Companies in America" —for the seventh time. Please visit Forbes.com for more details.

Again in June, 2009, *SmartMoney* magazine ranked Raymond James number one in customer satisfaction and brokerage statements among full-service firms. We believe these accolades validate yet again the firm's values of conservative management and responsible planning.

Raymond James understands the importance of gaining and retaining clients' trust. We know that trust must be constantly earned by actions designed to benefit clients over the long term rather than benefiting the firm's bottom line over the short term. That philosophy has contributed to our position as one of the leading diversified financial services firms in the United States.

The same receding tide in 2008 that exposed so many financial firms that were "swimming naked" when it came to risk, revealed that Raymond James' "swim suit" of conservative risk management protected not only the firm but also our clients from many of the devastating losses so many others suffered.

As an individual investor, you have many choices of advisors to work with. Many investors now understand that their advisor's broker-dealer is more important than they ever realized before. As a financial advisor in these difficult economic times, partnering with a strong, stable, resilient and conservatively managed firm has proven to be very important. One of the reasons I am proud to be associated with Raymond James is that it exemplifies those traits for the benefit of my clients and my business.

Recent research shows that after the challenges of 2008 more than 80% of investors with more than a million dollars of investable assets are looking to change advisors. If you are among those who are considering a change in advisors, perhaps it is time we should talk. Give me a call at 916.858.1111.

PS: If you are a new reader, you should know that in the 4 and ½ years that I've been publishing this monthly newsletter this is the first time I've featured Raymond James. My policy is to write on topics and issues of a general nature, some financial and some not. Because of the extraordinary circumstances of the past year I felt this information was important to share, so for this month I have chosen to deviate from my normal practice.

(1) Raymond James received the highest numerical score among full service brokerage firms in the proprietary J.D. Power and Associates 2008 Full Service Investor Satisfaction StudySM. Study based on responses from 4,528 investors measuring 19 investment firms and measures opinions of investors who used full-service investment institutions. Proprietary study results are based on experiences and perceptions of consumers surveyed in April-May 2008. Your experiences may vary. Visit jdpower.com.

(2) Raymond James received the highest numerical score for employee advisor satisfaction among financial investment firms in the proprietary J.D. Power and Associates 2008 Financial Advisor Satisfaction StudySM. Study based on 3,124 total responses measuring 19 investment firms and measures employee satisfaction of investment firms. Proprietary study results are based on experiences and perceptions of consumers surveyed in May-June 2008. Your experiences may vary. Visit jdpower.com.

(3) *SmartMoney* magazine does not endorse any product or service of Raymond James and past performance is not indicative of future results.

(4) The Forbes rankings are compiled by financial analytics company Audit Integrity after it assesses companies for the integrity of their operations.

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