



## **Financial Supplement**

**Third Quarter 2011**

**October 26, 2011**

**Earnings Release Financial Supplement with EBITDA Adjustments**

Q3 2011 Compared to Q3 2010

(\$ Thousands)

	Q3 2011			Q3 2010			YOY Adjusted Variance	
	Earnings Release	Adjustments	Adjusted	Earnings Release	Adjustments	Adjusted	\$	%
<b>REVENUES:</b>								
Commissions	\$438,294	\$ -	\$438,294	\$385,273	\$ -	\$385,273	\$53,021	13.8%
Advisory fees	267,878	-	267,878	212,344	-	212,344	55,534	26.2%
Asset-based fees	89,691	-	89,691	81,599	-	81,599	8,092	9.9%
Transaction and other fees	78,476	129	78,605	70,243	10	70,253	8,352	11.9%
Interest income, net of Op Int Exp	5,036	-	5,036	5,105	-	5,105	(69)	-1.4%
Other	3,482	-	3,482	5,400	-	5,400	(1,918)	-35.5%
Net revenues	882,857	129	882,986	759,964	10	759,974	123,012	16.2%
<b>EXPENSES:</b>								
Commissions and advisory fees	614,068	-	614,068	517,266	-	517,266	96,802	18.7%
Compensation and benefits	77,337	(4,598)	72,739	74,627	(3,783)	70,844	1,895	2.7%
Promotional	28,660	(68)	28,592	23,497	(248)	23,249	5,343	23.0%
Depreciation and amortization	19,222	-	19,222	19,772	-	19,772	(550)	-2.8%
Occupancy and equipment	13,637	(140)	13,497	12,979	(2)	12,977	520	4.0%
Professional services	10,656	(220)	10,436	14,683	(6,245)	8,438	1,998	23.7%
Brokerage, clearing and exchange	9,818	-	9,818	8,362	-	8,362	1,456	17.4%
Communications and data processing	9,235	(2)	9,233	7,693	5	7,698	1,535	19.9%
Regulatory fees and expenses	6,441	(176)	6,265	6,038	128	6,166	99	1.6%
Restructuring charges	7,684	(7,672)	12	1,863	(1,863)	-	12	na
Other general and administrative	7,434	(704)	6,730	7,661	(1,320)	6,341	389	6.1%
Total operating expenses	804,192	(13,580)	790,612	694,441	(13,328)	681,113	109,499	16.1%
Non-operating interest expense	16,603	-	16,603	19,511	-	19,511	(2,908)	-14.9%
Loss on extinguishment of debt	-	-	-	-	-	-	-	na
Total expenses	820,795	(13,580)	807,215	713,952	(13,328)	700,624	106,591	15.2%

**Earnings Release Financial Supplement with EBITDA Adjustments**

Q3 2011 Compared to Q2 2011

(\$ Thousands)

	Q3 2011			Q2 2011			QOQ Adjusted Variance	
	Earnings Release	Adjustments	Adjusted	Earnings Release	Adjustments	Adjusted	\$	%
<b>REVENUES:</b>								
Commissions	\$438,294	\$ -	\$438,294	\$459,882	\$ -	\$459,882	(\$21,588)	-4.7%
Advisory fees	267,878	-	267,878	264,289	-	264,289	3,589	1.4%
Asset-based fees	89,691	-	89,691	90,504	-	90,504	(813)	-0.9%
Transaction and other fees	78,476	129	78,605	68,755	269	69,024	9,581	13.9%
Interest income, net of Op Int Exp	5,036	-	5,036	5,110	-	5,110	(74)	-1.4%
Other	3,482	-	3,482	5,456	-	5,456	(1,974)	-36.2%
Net revenues	882,857	129	882,986	893,996	269	894,265	(11,279)	-1.3%
<b>EXPENSES:</b>								
Commissions and advisory fees	614,068	-	614,068	624,687	-	624,687	(10,619)	-1.7%
Compensation and benefits	77,337	(4,598)	72,739	81,410	(3,487)	77,923	(5,184)	-6.7%
Promotional	28,660	(68)	28,592	14,789	(437)	14,352	14,240	99.2%
Depreciation and amortization	19,222	-	19,222	18,407	-	18,407	815	4.4%
Occupancy and equipment	13,637	(140)	13,497	12,394	(124)	12,270	1,227	10.0%
Professional services	10,656	(220)	10,436	12,489	(1,451)	11,038	(602)	-5.5%
Brokerage, clearing and exchange	9,818	-	9,818	9,401	-	9,401	417	4.4%
Communications and data processing	9,235	(2)	9,233	8,906	(4)	8,902	331	3.7%
Regulatory fees and expenses	6,441	(176)	6,265	6,372	-	6,372	(107)	-1.7%
Restructuring charges	7,684	(7,672)	12	4,814	(4,814)	-	12	na
Other general and administrative	7,434	(704)	6,730	6,694	(371)	6,323	407	6.4%
Total operating expenses	804,192	(13,580)	790,612	800,363	(10,688)	789,675	937	0.1%
Non-operating interest expense	16,603	-	16,603	18,154	-	18,154	(1,551)	-8.5%
Loss on extinguishment of debt	-	-	-	-	-	-	-	na
Total expenses	820,795	(13,580)	807,215	818,517	(10,688)	807,829	(614)	-0.1%

**Earnings Release Financial Supplement with EBITDA Adjustments**

YTD 2011 Compared to YTD 2010

(\$ Thousands)

	Q3 YTD 2011			Q3 YTD 2010			YTD Adjusted Variance	
	Earnings Release	Adjustments	Adjusted	Earnings Release	Adjustments	Adjusted	\$	%
<b>REVENUES:</b>								
Commissions	\$1,350,053	\$ -	\$1,350,053	\$1,194,414	\$ -	\$1,194,414	\$155,639	13.0%
Advisory fees	776,254	-	776,254	633,820	-	633,820	142,434	22.5%
Asset-based fees	270,018	-	270,018	230,485	-	230,485	39,533	17.2%
Transaction and other fees	220,980	529	221,509	205,738	852	206,590	14,919	7.2%
Interest income, net of Op Int Exp	15,288	-	15,288	14,882	-	14,882	406	2.7%
Other	18,129	-	18,129	14,192	-	14,192	3,937	27.7%
Net revenues	2,650,722	529	2,651,251	2,293,531	852	2,294,383	356,868	15.6%
<b>EXPENSES:</b>								
Commissions and advisory fees	1,833,433	-	1,833,433	1,569,424	-	1,569,424	264,009	16.8%
Compensation and benefits	242,889	(12,858)	230,031	223,024	(9,287)	213,737	16,294	7.6%
Promotional	62,985	(860)	62,125	49,141	(570)	48,571	13,554	27.9%
Depreciation and amortization	55,794	-	55,794	67,472	-	67,472	(11,678)	-17.3%
Occupancy and equipment	41,556	(379)	41,177	36,742	(352)	36,390	4,787	13.2%
Professional services	33,309	(1,999)	31,310	37,950	(11,504)	26,446	4,864	18.4%
Brokerage, clearing and exchange	28,868	-	28,868	25,944	-	25,944	2,924	11.3%
Communications and data processing	26,823	(18)	26,805	24,509	(75)	24,434	2,371	9.7%
Regulatory fees and expenses	19,385	(226)	19,159	18,715	-	18,715	444	2.4%
Restructuring charges	13,035	(13,023)	12	10,434	(10,434)	-	12	na
Other general and administrative	20,617	(1,210)	19,407	21,311	(4,543)	16,768	2,639	15.7%
Total operating expenses	2,378,694	(30,573)	2,348,121	2,084,666	(36,765)	2,047,901	300,220	14.7%
Non-operating interest expense	52,929	-	52,929	71,530	-	71,530	(18,601)	-26.0%
Loss on extinguishment of debt	-	-	-	37,979	(37,979)	-	-	na
Total expenses	2,431,623	(30,573)	2,401,050	2,194,175	(74,744)	2,119,431	281,619	13.3%

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**Insured Cash Account Fed Funds Sensitivity**

(\$ thousands)

The following table reflects the impact to income before taxes on an annual basis based on an upward or downward change in short-term interest rates of one basis point.

The impact assumes that the client balances at September 30, 2011 remain unchanged.

<u>Federal Reserve Effective Federal Funds Rate</u>	<u>Annualized Increase or Decrease of Income Before Taxes per One Basis Point Change</u>
0.00% - 0.25%	\$1,400
0.26% - 1.25%	700
1.26% - 2.50%	300
> 2.50%	-