



**Financial Supplement**

**Fourth Quarter 2011**

**February 7, 2012**

**Financial Supplement with EBITDA Adjustments**

Q4 2011 Compared to Q4 2010 (unaudited)

(\$ Thousands)

	Q4 2011			Q4 2010			YOY Increase/(Decrease)	
	Unadjusted	Adjustments	As Adjusted	Unadjusted	Adjustments	As Adjusted	\$	%
<b>REVENUES:</b>								
Commissions	\$404,382	\$ -	\$404,382	\$426,397	\$ -	\$426,397	(\$22,015)	-5.2%
Advisory fees	251,219	-	251,219	226,407	-	226,407	24,812	11.0%
Asset-based fees	89,706	-	89,706	87,020	-	87,020	2,686	3.1%
Transaction and other fees	71,227	252	71,479	68,410	465	68,875	2,604	3.8%
Interest income, net of operating Interest	4,777	-	4,777	4,925	5	4,930	(153)	-3.1%
Other	7,342	-	7,342	6,796	-	6,796	546	8.0%
Net revenues	828,653	252	828,905	819,955	470	820,425	8,480	1.0%
<b>EXPENSES:</b>								
Commissions and advisory fees	576,904	-	576,904	793,486	(221,982)	571,504	5,400	0.9%
Compensation and benefits	79,237	(4,107)	75,130	85,632	(11,473)	74,159	971	1.3%
Promotional	19,900	(64)	19,836	20,050	(1,000)	19,050	786	4.1%
Depreciation and amortization	16,947	-	16,947	18,565	-	18,565	(1,618)	-8.7%
Occupancy and equipment	13,914	(60)	13,854	13,417	(154)	13,263	591	4.5%
Professional services	8,281	(480)	7,801	1,571	7,854	9,425	(1,624)	-17.2%
Brokerage, clearing and exchange	9,219	-	9,219	8,681	(46)	8,635	584	6.8%
Communications and data processing	9,873	-	9,873	9,863	(87)	9,776	97	1.0%
Regulatory fees and expenses	6,731	(409)	6,322	7,428	(214)	7,214	(892)	-12.4%
Restructuring charges	8,372	(8,372)	-	3,488	(3,488)	-	-	na
Other	(146)	9,316	9,170	27,102	(18,862)	8,240	930	11.3%
Total operating expenses	749,232	(4,176)	745,056	989,283	(249,452)	739,831	5,225	0.7%
Non-operating interest expense	15,835	-	15,835	18,877	-	18,877	(3,042)	-16.1%
Loss on extinguishment of debt	-	-	-	-	-	-	-	na
Total expenses	765,067	(4,176)	760,891	1,008,160	(249,452)	758,708	2,183	0.3%

**Financial Supplement with EBITDA Adjustments**

Q4 2011 Compared to Q3 2011 (unaudited)

(\$ Thousands)

	Q4 2011			Q3 2011			QOQ Increase/(Decrease)	
	Unadjusted	Adjustments	As Adjusted	Unadjusted	Adjustments	As Adjusted	\$	%
<b>REVENUES:</b>								
Commissions	\$404,382	\$ -	\$404,382	\$438,294	\$ -	\$438,294	(\$33,912)	-7.7%
Advisory fees	251,219	-	251,219	267,878	-	267,878	(16,659)	-6.2%
Asset-based fees	89,706	-	89,706	89,691	-	89,691	15	0.0%
Transaction and other fees	71,227	252	71,479	78,476	129	78,605	(7,126)	-9.1%
Interest income, net of operating Interest	4,777	-	4,777	5,036	-	5,036	(259)	-5.1%
Other	7,342	-	7,342	3,482	-	3,482	3,860	110.9%
Net revenues	828,653	252	828,905	882,857	129	882,986	(54,081)	-6.1%
<b>EXPENSES:</b>								
Commissions and advisory fees	576,904	-	576,904	614,068	-	614,068	(37,164)	-6.1%
Compensation and benefits	79,237	(4,107)	75,130	77,337	(4,598)	72,739	2,391	3.3%
Promotional	19,900	(64)	19,836	28,660	(68)	28,592	(8,756)	-30.6%
Depreciation and amortization	16,947	-	16,947	19,222	-	19,222	(2,275)	-11.8%
Occupancy and equipment	13,914	(60)	13,854	13,637	(140)	13,497	357	2.6%
Professional services	8,281	(480)	7,801	10,656	(220)	10,436	(2,635)	-25.2%
Brokerage, clearing and exchange	9,219	-	9,219	9,818	-	9,818	(599)	-6.1%
Communications and data processing	9,873	-	9,873	9,235	(2)	9,233	640	6.9%
Regulatory fees and expenses	6,731	(409)	6,322	6,441	(176)	6,265	57	0.9%
Restructuring charges	8,372	(8,372)	-	7,684	(7,672)	12	(12)	-100.0%
Other	(146)	9,316	9,170	7,434	(704)	6,730	2,440	36.3%
Total operating expenses	749,232	(4,176)	745,056	804,192	(13,580)	790,612	(45,556)	-5.8%
Non-operating interest expense	15,835	-	15,835	16,603	-	16,603	(768)	-4.6%
Loss on extinguishment of debt	-	-	-	-	-	-	-	na
Total expenses	765,067	(4,176)	760,891	820,795	(13,580)	807,215	(46,324)	-5.7%

**Financial Supplement with EBITDA Adjustments**

2011 Compared to 2010 (unaudited)

(\$ Thousands)

	2011			2010			YTD Increase/(Decrease)	
	Unadjusted	Adjustments	As Adjusted	Unadjusted	Adjustments	As Adjusted	\$	%
<b>REVENUES:</b>								
Commissions	\$1,754,435	\$ -	\$1,754,435	\$1,620,811	\$ -	\$1,620,811	\$133,624	8.2%
Advisory fees	1,027,473	-	1,027,473	860,227	-	860,227	167,246	19.4%
Asset-based fees	359,724	-	359,724	317,505	-	317,505	42,219	13.3%
Transaction and other fees	292,207	781	292,988	274,148	1,317	275,465	17,523	6.4%
Interest income, net of operating Interest	20,065	-	20,065	19,807	5	19,812	253	1.3%
Other	25,471	-	25,471	20,988	-	20,988	4,483	21.4%
Net revenues	3,479,375	781	3,480,156	3,113,486	1,322	3,114,808	365,348	11.7%
<b>EXPENSES:</b>								
Commissions and advisory fees	2,410,337	-	2,410,337	2,362,910	(221,982)	2,140,928	269,409	12.6%
Compensation and benefits	322,126	(16,965)	305,161	308,656	(20,760)	287,896	17,265	6.0%
Promotional	82,885	(924)	81,961	69,191	(1,570)	67,621	14,340	21.2%
Depreciation and amortization	72,741	-	72,741	86,037	-	86,037	(13,296)	-15.5%
Occupancy and equipment	55,470	(439)	55,031	50,159	(506)	49,653	5,378	10.8%
Professional services	41,590	(2,479)	39,111	39,521	(3,650)	35,871	3,240	9.0%
Brokerage, clearing and exchange	38,087	-	38,087	34,625	(46)	34,579	3,508	10.1%
Communications and data processing	36,696	(18)	36,678	34,372	(162)	34,210	2,468	7.2%
Regulatory fees and expenses	26,116	(635)	25,481	26,143	(214)	25,929	(448)	-1.7%
Restructuring charges	21,407	(21,395)	12	13,922	(13,922)	-	12	na
Other	20,471	8,106	28,577	48,413	(23,405)	25,008	3,569	14.3%
Total operating expenses	3,127,926	(34,749)	3,093,177	3,073,949	(286,217)	2,787,732	305,445	11.0%
Non-operating interest expense	68,764	-	68,764	90,407	-	90,407	(21,643)	-23.9%
Loss on extinguishment of debt	-	-	-	37,979	(37,979)	-	-	na
Total expenses	3,196,690	(34,749)	3,161,941	3,202,335	(324,196)	2,878,139	283,802	9.9%

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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 December 31, 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%	\$1,442
0.26% - 1.25%	721
1.26% - 2.50%	334
> 2.50%	-