

STIFEL FINANCIAL CORP
Form 8-K
April 05, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K
CURRENT REPORT

**Pursuant To Section 13 OR 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **March 30, 2007**

STIFEL FINANCIAL CORP.

(Exact name of registrant as specified in its charter)

DELAWARE	1-9305	43-1273600
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File No.)	(I.R.S. Employer Identification Number)

ONE FINANCIAL PLAZA
501 NORTH BROADWAY
ST. LOUIS, MISSOURI 63102-2102

(Address of principal executive offices)

(314) 342-2000

(Registrant's Telephone Number,
Including Area Code)

NOT APPLICABLE

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On March 30, 2007, Stifel Financial Corp. (the "Company") and Stifel Financial Capital Trust III, a Delaware statutory trust formed by the Company on March 23, 2007 (the "Trust"), completed the issuance and sale of \$35,000,000 aggregate principal amount of floating rate preferred securities (the "Trust Preferred Securities") issued by the Trust in two private placements. The Trust Preferred Securities mature on June 6, 2037, are redeemable at the Company's option beginning June 6, 2012, and require quarterly distributions of interest by the Trust to the holder of the Trust Preferred Securities. Distributions will be payable quarterly in arrears on March 6, June 6, September 6 and December 6, commencing June 6, 2007, at a fixed interest rate equal to 6.79% per annum from the issue date to June 6, 2012 and then will be payable at a floating interest rate equal to three-month London Interbank Offered Rate ("LIBOR") plus 1.85% per annum. The Trust simultaneously issued 1,083 of the Trust's floating rate common securities (the "Common Securities") to the Company for a purchase price of \$1,083,000, which constitutes all of the issued and outstanding Common Securities of the Trust.

The Trust used the proceeds from the sale of the Trust Preferred to purchase \$35,000,000 aggregate principal amount of junior subordinated debentures due June 6, 2037 issued by the Company (the "Junior Subordinated Debentures"). The net proceeds to the Company from the sale of the Junior Subordinated Debentures to the Trust will be used by the Company to fund the acquisition of First Service Financial Company ("First Service") and its wholly-owned bank subsidiary, FirstService Bank, reduce existing debt, support franchise growth and for other general corporate purposes. Concurrently with the issuance of the Junior Subordinated Debentures and the Trust Preferred Securities, the Company entered into a Guarantee Agreement dated March 30, 2007 between the Company and Wilmington Trust Company under which the Company guaranteed the payment of various obligations associated with the Trust Preferred Securities to the extent the Trust has funds available for such payments.

The Junior Subordinated Debentures were issued pursuant to an Indenture dated March 30, 2007 (the "Indenture") between the Company and Wilmington Trust Company, as trustee. The terms of the Junior Subordinated Debentures are substantially the same as the terms of the Trust Preferred Securities. The interest payments on the Junior Subordinated Debentures paid by the Company will be used by the Trust to pay the quarterly distributions to the holders of the Trust Preferred Securities and the holders of the Common Securities. The Indenture permits the Company to redeem the Junior Subordinated Debentures (and thus a like amount of Trust Preferred Securities) on or after June 6, 2012. If the Company redeems any amount of the Junior Subordinated Debentures, the Trust must redeem a like amount of the Trust Preferred Securities.

The terms of the Trust Preferred Securities are governed by an Amended and Restated Declaration of Trust dated March 30, 2007 (the "Declaration") among the Company, as sponsor, Wilmington Trust Company, as property trustee, Wilmington Trust Company, as institutional trustee and the Administrators named therein.

The preceding discussion is qualified in its entirety by reference to the terms of the Indenture, the Declaration, the Junior Subordinated Debentures, the Trust Preferred Securities and the Guarantee Agreement. Copies of the Indenture, the Declaration, the Junior Subordinated Debentures, the Trust Preferred Securities and the Guarantee Agreement, which are attached as Exhibits 4.1, 4.2, 4.3, 4.4 and 4.5, respectively, and incorporated herein by reference.

Item 2.03 Creation of Direct Financial Obligation or Obligation under an off-balance sheet arrangement of Registrant.

The information required by this item is included in Item 1.01 and incorporated herein by reference.

Items 9.01 Financial Statements and Exhibits.

(c) Exhibits:

Exhibit 4.1:

Junior Subordinated Indenture dated March 30, 2007 between the Company and Wilmington Trust Company, as trustee

Exhibit 4.2:

Amended and Restated Trust Agreement dated March 30, 2007 by and among the Company, as sponsor, Wilmington Trust Company, as Delaware trustee, Wilmington Trust Company, as institutional trustee and the Administrators named therein

Exhibit 4.3:

Form of Junior Subordinated Debenture (included in Exhibit 4.1)

Exhibit 4.4:

Form of Common and Preferred Security Certificates (included as exhibits to Exhibit 4.2)

Exhibit 4.5:

Guarantee Agreement dated March 30, 2007 between the Company and Wilmington Trust Company

Exhibit 99.1:

Press release dated April 2, 2007

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STIFEL FINANCIAL CORP.

Date: April 5, 2007

By: /s/ James M. Zemlyak

Name: James M. Zemlyak

Title: Chief Financial Officer

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
4.1	Junior Subordinated Indenture dated March 30, 2007 between the Company and Wilmington Trust Company, as trustee
4.2	Amended and Restated Trust Agreement dated March 30, 2007 by and among the Company, as sponsor, Wilmington Trust Company, as Delaware trustee, Wilmington Trust Company, as institutional trustee and the Administrators named therein
4.3	Form of Junior Subordinated Debenture (included in Exhibit 4.1)
4.4	Form of Common and Preferred Security Certificate (included as exhibits to Exhibit 4.2)
4.5	Guarantee Agreement dated March 30, 2007 between the Company and Wilmington Trust Company
99.1	Press release dated April 2, 2007

b>I

By Spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

(over)
SEC 1474 (3-99)

Graves, Peter R. - April 2003

Form 4 (continued)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)										
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transaction Code and Voluntary Code (Instr.8)	5. Number of Derivative Securities Acquired (A) or Disposed (D) Of (Instr. 3,4 and 5)	6. Date Exercisable(DE) and Expiration Date(ED) (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr.5)	9. Number of Derivative Securities Beneficially Owned at End of Month (Instr.4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership (Instr.4)
Employee Stock Option (Right to buy) 4/02	\$18.730	04/29/2003	M	(D) 2,237.00	04/16/2003 04/16/2012	Common Stock - 2,237.00	\$18.730	0.00	D	
Employee Stock Option (Right to buy) 4/02 (reload)	\$19.079	04/29/2003	M	(D) 3,158.00	04/24/2003 04/17/2011	Common Stock - 3,158.00	\$19.079	0.00	D	
Employee Stock Option (Right to buy) 4/02 (reload2)	\$19.105	04/29/2003	M	(D) 1,685.00	04/25/2003 04/18/2010	Common Stock - 1,685.00	\$19.105	0.00	D	
Employee Stock Option (Right to buy) 4/03 reload5	\$23.090	04/29/2003	A	(A) 1,814.00	04/28/2004 04/16/2012	Common Stock - 1,814.00	\$23.090	1,814.00	D	
Employee Stock Option (Right to buy) 4/03 reload6	\$23.090	04/29/2003	A	(A) 2,793.00	04/28/2004 04/17/2011	Common Stock - 2,793.00	\$23.090	2,793.00	D	
Employee Stock	\$23.090	04/28/2003	A	(A) 1,491.00	04/28/2004 04/18/2010	Common Stock -	\$23.090	1,491.00	D	

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Option (Right to buy) 4/03 reload7						1,491.00				

Explanation of Responses :

** Intentional misstatements or omissions of facts /s/ Peter R. Graves

constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

04-29-2003

** Signature of Reporting Person

Date

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient,

See Instruction 6 for procedure.

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Potential persons who are to respond to the collection of information contained in this form

are not

required to respond unless the form displays a currently valid OMB number.