

STIFEL FINANCIAL CORP  
Form 8-K  
August 16, 2005

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): **August 12, 2005**

STIFEL FINANCIAL CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State of incorporation)

1-9305

(Commission File Number)

43-1273600

(IRS Employer  
Identification No.)

One Financial Plaza  
501 North Broadway

St. Louis, Missouri 63102-2102

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code

(314) 342-2000

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N/A

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(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 (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

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 August 12, 2005, Stifel Financial Corp. (the "Company") and Stifel Financial Capital Trust II, a Delaware statutory trust formed by the Company on August 10, 2005 (the "Trust"), completed the issuance and sale in a private placement of \$35,000,000 aggregate principal amount of floating rate preferred securities (the "Trust Preferred Securities") issued by the Trust. The Trust Preferred Securities mature on September 30, 2035, are redeemable at the Company's option beginning September 30, 2010, 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 September 30, December 31, March 31 and June 30, commencing September 30, 2005, at a fixed interest rate equal to 6.38% per annum from the issue date to September 30, 2010 and then will be payable at a floating interest rate equal to three-month London Interbank Offered Rate ("LIBOR") plus 1.70% 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 Securities together with the proceeds from the sale of the Common Securities to purchase \$36,083,000 aggregate principal amount of junior subordinated debentures due September 30, 2035 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 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 August 12, 2005 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 August 12, 2005 (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 September 30, 2010. 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 August 12, 2005 (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:

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Junior Subordinated Indenture dated August 12, 2005 between the Company and Wilmington Trust Company, as trustee

Exhibit 4.2:

Amended and Restated Trust Agreement dated August 12, 2005 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 August 12, 2005 between the Company and Wilmington Trust Company

Exhibit 99.1:

Press release dated August 12, 2005

SIGNATURE

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: August 12, 2005

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 August 12, 2005 between the Company and Wilmington Trust Company, as trustee  |
| 4.2                | Amended and Restated Trust Agreement dated August 12, 2005 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 August 12, 2005 between the Company and Wilmington Trust Company  |
| 99                 | Press release dated August 12, 2005   |