

STIFEL FINANCIAL CORP

Form 424B5

September 10, 2009

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**Filed Pursuant to Rule 424(b)(5)**  
**File No. 333-158301**

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of Securities to be registered</b>	<b>Amount to be registered</b>	<b>Proposed maximum offering price per unit</b>	<b>Proposed maximum aggregate offering price(1)</b>	<b>Amount of registration fee</b>
Common Stock, \$.15 par value per share	1,725,000(1)	\$56.00	\$96,600,000	\$5,390.28

(1) Includes shares that may be purchased by the underwriters to cover over-allotments, if any.

PROSPECTUS SUPPLEMENT

(To prospectus dated March 30, 2009)

**1,500,000 Shares**

**STIFEL FINANCIAL CORP.**  
**Common Stock**

We are offering 1,500,000 shares of our common stock. Our common stock is listed on the New York Stock Exchange, or the NYSE, under the symbol SF. On September 9, 2009, the last reported sale price of our common stock as reported on the NYSE was \$56.68 per share.

**Investing in our common stock involves risks that are described in the Risk Factors section beginning on page S-5 of this prospectus supplement.**

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$56.00	\$84,000,000
Underwriting discount	\$2.80	\$4,200,000
Proceeds, before expenses, to us	\$53.20	\$79,800,000

The underwriters may also purchase up to an additional 225,000 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement, to cover overallotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about September 15, 2009.

*Joint Book-Running Managers*

**Stifel Nicolaus**

**BofA Merrill Lynch**

*Co-Managers*

**Fox-Pitt Kelton Cochran Caronia Waller**

**Keefe, Bruyette & Woods**

The date of this prospectus supplement is September 9, 2009.

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You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer and sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of

operations and prospects may have changed since those dates.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of our common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part, the accompanying prospectus, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus or any document incorporated by reference therein filed prior to the date of this prospectus supplement, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

Unless we indicate otherwise, the words we, our, us and Company refer to Stifel Financial Corp., or Stifel, and its wholly-owned subsidiaries, including Stifel Nicolaus & Company, Incorporated, or Stifel Nicolaus. Unless otherwise indicated, information presented herein is as of June 30, 2009. All figures presented in this prospectus supplement with respect to our stock price, shares of common stock outstanding and related figures reflect the effect of a three-for-two split of our common stock that was effected as a dividend to stockholders of record as of May 29, 2008.

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**OUR BUSINESS**

We are a financial services holding company headquartered in St. Louis. Our principal subsidiary is Stifel Nicolaus, a full service retail and institutional brokerage and investment banking firm. Our other subsidiaries include Century Securities Associates, Inc., or CSA, an independent contractor broker-dealer firm; Stifel Nicolaus Limited, or SN Ltd, our international subsidiary; and Stifel Bank & Trust, or Stifel Bank, a retail and commercial bank. With our century-old operating history, we have built a diversified business serving private clients, investment banking clients and institutional investors. Our principal activities are:

Private client services, including securities transaction and financial planning services;

Institutional equity and fixed income sales, trading and research, and municipal finance;

Investment banking services, including mergers and acquisitions, public offerings and private placements; and

Retail and commercial banking, including personal and commercial lending programs.

Our core philosophy is based upon a tradition of trust, understanding and studied advice. We attract and retain experienced professionals by fostering a culture of entrepreneurial, long-term thinking. We provide our private, institutional and corporate clients quality, personalized service, with the theory that if we place clients' needs first, both our clients and our company will prosper. Our unwavering client and employee focus have earned us a reputation as one of the leading brokerage and investment banking firms off Wall Street.

We have grown our business both organically and through opportunistic acquisitions. Over the past several years, we have grown substantially, primarily by completing and successfully integrating a number of acquisitions, including our acquisition of the capital markets business of Legg Mason, Inc., or LM Capital Markets, from Citigroup Inc. in December 2005 and a number of more recent acquisitions, including:

Our acquisition of private client business and certain assets and limited liabilities of Miller Johnson Steichen Kinnard, Inc., or MJSK, in December 2006;

Our acquisition of Ryan Beck Holdings, Inc., or Ryan Beck, and its wholly-owned subsidiary Ryan Beck & Company, Inc., a full-service brokerage and investment banking firm, in February 2007;

Our acquisition of First Service Financial Company, or First Service, now Stifel Bank & Trust, a St. Louis-based bank, in April 2007; and

Our acquisition of Butler Wick & Company, Inc., or Butler Wick, a privately-held broker-dealer in December 2008.

In addition, on March 23, 2009, we announced that Stifel Nicolaus had entered into a definitive agreement with UBS Financial Services Inc., or UBS, to acquire certain specified branches from the UBS Wealth Management Americas branch network. As subsequently amended, we agreed to acquire 56 branches from UBS in four separate closings pursuant to this agreement. We completed an initial closing of 12 branches under this agreement on August 14, 2009, and currently expect to complete the remaining three closings on September 11, 2009, September 25, 2009 and October 16, 2009.

We do not generally engage in proprietary trading. Our inventory, which we believe is of modest size and intended to turn-over quickly, exists to facilitate order flow and to support the investment strategies of our clients. Furthermore, our balance sheet is highly liquid, without material holdings of securities that are difficult to value or remarket. We believe that our broad platform, fee-based revenues and strong distribution network position us well to take advantage of current trends within the financial services sector.

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**THE OFFERING**

Common stock we are offering	1,500,000 shares
Common stock to be outstanding after this offering	30,054,119 shares
Use of proceeds	We intend to use the net proceeds of this offering for general corporate purposes, which may include our working capital needs and investments in our subsidiaries to support our continued growth or selective opportunistic acquisitions. For additional information, see the section of this prospectus supplement captioned Use of Proceeds.
Listing	Our common stock currently trades on the NYSE under the ticker symbol SF.
Risk factors	Investing in our securities involves risks. You should carefully consider the information under Risk Factors beginning on page S-5 and the other information included in this prospectus before investing in our securities.

At our 2009 Annual Meeting of Stockholders, which was held on June 3, 2009, our stockholders approved an amendment to our Restated Certificate of Incorporation to increase the total number of shares of common and preferred stock authorized thereunder from 33,000,000 to 100,000,000 and to increase the number of shares of common stock authorized thereunder from 30,000,000 to 97,000,000.

The number of shares of common stock to be outstanding after the offering is based on actual shares outstanding as of August 31, 2009 and assumes no exercise of the underwriters' over-allotment option. In addition, the number of shares of common stock to be outstanding after this offering excludes the following, in each case as of August 31, 2009:

1,029,317 shares of common stock issuable upon exercise of options outstanding under our various equity incentive plans, having a weighted average exercise price of \$8.52 per share;

6,756,890 restricted stock units issued under our various equity incentive plans;

746,950 shares of common stock issuable upon exercise of warrants issued in connection with our acquisition of Ryan Beck, with an exercise price of \$24.00 per share; and

5,255,898 additional shares of common stock reserved for issuance pursuant to our equity incentive and stock option plans.



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The following table sets forth selected consolidated historical financial and other data for the periods ended and as of the dates indicated. The selected consolidated financial data presented below as of and for the years ended December 31, 2006, 2007 and 2008 is derived from our audited consolidated financial statements incorporated by reference into this prospectus. The selected consolidated financial data as of and for the years ended December 31, 2004 and 2005 is derived from our audited consolidated financial statements, which are not included in this prospectus. The summary consolidated financial data for the six-month periods ended June 30, 2008 and 2009 is derived from our unaudited consolidated financial statements incorporated by reference into this prospectus and should be read in conjunction with those unaudited consolidated financial statements and notes thereto. In the opinion of management, our unaudited consolidated financial statements for the six months ended June 30, 2008 and 2009 include all normal recurring adjustments necessary for a fair presentation of results for the unaudited interim periods. Results from past periods are not necessarily indicative of results that may be expected for any future period. All share and per share information for all periods presented has been adjusted for a three-for-two split of our common stock that was effected as a dividend to stockholders of record as of May 29, 2008. This selected historical financial data should be read in conjunction with the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2008, and with our consolidated financial statements and related notes incorporated by reference in this prospectus.

	<b>Fiscal Year Ended December 31,</b>					<b>Six Months Ended</b>	
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2009</b>
	<b>(In thousands, except per share amounts)</b>						
<b>Revenues:</b>							
Commissions	\$ 95,894	\$ 107,976	\$ 199,056	\$ 315,514	\$ 341,090	\$ 168,764	\$ 155,331
Principal transactions	46,163	44,110	86,365	139,248	293,285	132,611	218,539
Investment banking	57,768	55,893	82,856	169,413	83,710	42,779	40,206
Asset management and service fees	35,504	43,476	57,713	101,610	119,926	60,244	49,476
Interest	13,101	18,022	35,804	59,071	50,148	26,356	20,476
Other income	2,759	533	9,594	8,234	688	508	2,854
<b>Total revenues</b>	<b>251,189</b>	<b>270,010</b>	<b>471,388</b>	<b>793,090</b>	<b>888,847</b>	<b>431,262</b>	<b>486,882</b>
Interest expense	4,366	6,275	19,581	30,025	18,510	10,834	5,396
<b>Net revenues</b>	<b>246,823</b>	<b>263,735</b>	<b>451,807</b>	<b>763,065</b>	<b>870,337</b>	<b>420,428</b>	<b>481,486</b>
<b>Non-interest expenses:</b>							
Compensation and benefits	157,314	174,765	329,703	543,021	582,778	290,825	323,721
Non-compensation expenses	52,892	56,248	95,735	166,198	195,790	85,528	109,501
<b>Total non-interest expenses</b>	<b>210,206</b>	<b>231,013</b>	<b>425,438</b>	<b>709,219</b>	<b>778,568</b>	<b>376,353</b>	<b>433,222</b>
<b>Income before income taxes</b>	<b>36,617</b>	<b>32,722</b>	<b>26,369</b>	<b>53,846</b>	<b>91,769</b>	<b>44,075</b>	<b>48,264</b>
Provision for income taxes	13,469	13,078	10,938	21,676	36,267	17,396	19,272

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<b>Net income</b>	\$ 23,148	\$ 19,644	\$ 15,431	\$ 32,170	\$ 55,502	\$ 26,679	\$ 28,992
<b>Earnings per basic common share:</b>							
Basic	\$ 1.59	\$ 1.33	\$ 0.89	\$ 1.48	\$ 2.31	\$ 1.14	\$ 1.07
Diluted	\$ 1.25	\$ 1.04	\$ 0.74	\$ 1.25	\$ 1.98	\$ 0.99	\$ 0.94
<b>Weighted average number of common shares outstanding:</b>							
Basic	14,553	14,742	17,269	21,754	24,069	23,363	27,116
Diluted	18,421	18,879	20,863	25,723	28,073	26,931	30,752
Total assets	\$ 382,314	\$ 842,001	\$ 1,084,774	\$ 1,499,440	\$ 1,558,145	\$ 1,685,837	\$ 2,287,992
Long-term obligations	61,767	97,182	98,379	124,242	106,860	119,128	96,781
Stockholders equity	131,312	155,093	220,265	424,637	593,185	465,071	702,702

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	<b>Fiscal Year Ended December 31,</b>					<b>Six Months Ended</b>	
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2009</b>
	<b>(In thousands)</b>						
<b>Net revenues:</b>							
Private Client							
Group	\$ 187,477	\$ 197,356	\$ 231,364	\$ 435,711	\$ 461,431	\$ 235,852	\$ 241,688
Capital Markets(1)	55,485	61,570	203,608	302,931	390,726	175,950	230,608
Stifel Bank(2)				4,800	9,574	5,319	7,786
Other	3,861	4,809	16,835	19,623	8,606	3,307	1,404
	\$ 246,823	\$ 263,735	\$ 451,807	\$ 763,065	\$ 870,337	\$ 420,428	\$ 481,486
<b>Income/(loss) before income taxes:</b>							
Private Client							
Group	\$ 47,965	\$ 48,157	\$ 50,218	\$ 95,353	\$ 97,478	\$ 55,461	\$ 36,096
Capital Markets(1)	15,457	15,987	42,579	60,849	91,892	37,210	57,884
Stifel Bank(2)				990	619	731	3,445
Other	(26,805)	(31,422)	(66,428)	(103,346)	(98,220)	(49,327)	(49,161)
	\$ 36,617	\$ 32,722	\$ 26,369	\$ 53,846	\$ 91,769	\$ 44,075	\$ 48,264