

STIFEL FINANCIAL CORP
Form 425
April 26, 2010

**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): April 25, 2010
STIFEL FINANCIAL CORP.
(Exact name of registrant as specified in its charter)**

Delaware
(State or Other Jurisdiction 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) (Zip Code)

Registrant's telephone number, including area code **(314) 342-2000**

N/A

(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.

Merger Agreement

On April 25, 2010, Stifel Financial Corp., a Delaware corporation (Stifel), PTAS, Inc., a Delaware corporation and a wholly-owned subsidiary of Stifel (Merger Sub), and Thomas Weisel Partners Group, Inc., a Delaware corporation (Thomas Weisel Partners) entered into an Agreement and Plan of Merger (the Merger Agreement). The Merger Agreement provides that Stifel will acquire all of the outstanding shares of Thomas Weisel Partners common stock in a stock-for-stock merger (the Merger) using a fixed exchange ratio of 0.1364 shares of Stifel common stock for each share of Thomas Weisel Partners common stock. The Merger Agreement provides that at the effective time of the Merger, Merger Sub will merge with and into Thomas Weisel Partners, with Thomas Weisel Partners continuing as a wholly-owned subsidiary of Stifel.

Pursuant to the Merger Agreement, each outstanding Thomas Weisel Partners restricted stock unit and will be converted into the right to receive 0.1364 shares of Stifel common stock in accordance with the existing vesting schedule and other terms thereof. Further, each outstanding Thomas Weisel Partners stock option will be converted into the right to acquire 0.1364 shares of Stifel common stock, subject to appropriate adjustment to the exercise price therefor. In addition, each exchangeable share of TWP Acquisition Company (Canada), Inc., a corporation organized under the Ontario Business Corporations Act, and a subsidiary Thomas Weisel Partner s (TWP Canada), which are presently each exchangeable at any time for one share of Thomas Weisel Partners common stock, are expected to remain outstanding following the Merger and become exchangeable for 0.1364 shares of Stifel common stock. Following the closing of the Merger, such exchangeable shares will vote with Stifel s common stockholders as a single class on all matters voted on by holders of Stifel common stock and will be entitled to 0.1364 votes per share.

The Merger Agreement contains customary representations, warranties and covenants, including, amount other things, covenants that, subject to certain exceptions: (i) Thomas Weisel Partners will conduct its business in the ordinary course consistent with past practice until the earlier of the effective time of the Merger and termination of the Merger Agreement, (ii) Stifel and Thomas Weisel Partners will each use its reasonable best efforts to take all actions necessary, proper or advisable under applicable laws and regulations to consummate the Merger and the other transactions contemplated by the Merger Agreement, and (iii) Thomas Weisel Partners will not solicit, initiate or knowingly take any action that it knows or reasonably should know would facilitate or encourage the submission of any alternative acquisition proposal.

Consummation of the Merger is subject to various conditions, including: (i) adoption of the Merger Agreement by Thomas Weisel Partners stockholders in accordance with Delaware law, (ii) the absence of any applicable law that prohibits, makes the Merger illegal or enjoins the consummation of the Merger, (iii) the joint Registration Statement and Proxy Statement on Form S-4 (the S-4) having been declared effective by the Securities and Exchange Commission (the SEC), and (iv) the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act relating to the Merger having expired or been terminated and certain other regulatory approvals have been obtained.

The Merger Agreement contains certain termination rights for both of Stifel and Thomas Weisel Partners, including the right of Thomas Weisel Partners to terminate the Merger Agreement in order to enter into an alternative business combination that constitutes a Superior Proposal (as defined in the Merger Agreement), but only if Stifel does not make a counter offer that is at least as favorable as any such superior proposal within four days. The Merger Agreement further provides that, under specified circumstances, Thomas Weisel Partners may be required to pay Stifel a termination fee of \$10 million.

The foregoing description of the Merger and the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which is filed as Exhibit 2.1 hereto, and is incorporated by reference into this report.

Voting Agreements

As a condition to Stifel entering into the Merger Agreement, certain executive officers of Thomas Weisel Partners entered into a voting agreement with Stifel (each, a Voting Agreement), in each case with respect to all of the shares of Thomas Weisel Partners common stock and exchangeable shares of TWP Canada beneficially owned by such stockholders (collectively, the Voting Agreement Shares). The stockholders party to the voting agreements own approximately 16.5% of the voting power of shares entitled to vote on the Merger and have agreed to take the following actions, among others: (1) vote all Voting Agreement Shares in favor of the Merger; and (2) vote the Voting Agreement Shares against any action, transaction or agreement that would result in a breach in respect of any covenant, representation or warranty or any other obligation or agreement of Thomas Weisel Partners under the Merger Agreement or the Voting Agreement.

A copy of the Form of Voting Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference. The foregoing description of the Voting Agreements is qualified in its entirety by reference to the full text of the Form of Voting Agreement.

Item 7.01 Regulation FD Disclosure.

On April 26, 2010, Stifel and Thomas Weisel Partners issued a joint press release announcing that they had entered in the Merger Agreement. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Stifel and Thomas Weisel Partners will host a joint conference call on Monday, April 26, 2010 at 6:00 a.m. (Pacific) and 9:00 a.m. (Eastern). The conference call may include forward-looking statements.

All interested parties are invited to listen to Stifel's Chairman, President and CEO, Ronald J. Kruszewski, and Thomas Weisel Partners' Chairman and CEO, Thomas W. Weisel; by dialing (866) 465-5545 (domestic) or (212) 457-9864 (international). A copy of the related slides is attached hereto as Exhibit 99.2.

The information furnished pursuant to this Item 7.01 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the Exchange Act) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the company under the Securities Act of 1933 or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

The information furnished pursuant to this Item 7.01 shall not be deemed to constitute an admission that such information is required to be furnished pursuant to Regulation FD or that such information or exhibits contains material information that is not otherwise publicly available. In addition, Stifel does not assume any obligation to update such information in the future.

In connection with the proposed Merger, Stifel will be filing a registration statement on Form S-4 that also constitutes a prospectus of Stifel and other relevant documents relating to the acquisition of Thomas Weisel Partners with the SEC. The registration statement on Form S-4 will include a proxy statement of Thomas Weisel Partners, and the final proxy statement/prospectus will be mailed to shareholders of Thomas Weisel Partners. **Stifel and Thomas Weisel Partners shareholders are urged to read the registration statement and any other relevant documents filed with the SEC, including the proxy statement/prospectus that will be part of the registration statement, because they will contain important information about Stifel, Thomas Weisel Partners and the proposed transaction.** Investors and securityholders will be able to obtain free copies of the registration statement and proxy statement/prospectus (when available) as well as other filed documents containing information about Stifel and Thomas Weisel Partners, without charge, at the SEC's website (<http://www.sec.gov>). Free copies of Stifel's filings also may be obtained by directing a request to Stifel's Investor Relations by phone to (314) 342-2000, in writing to Stifel Financial Corp., Attention: Investor Relations, 501 North Broadway, St. Louis, Missouri 63102, by email to investorrelations@stifel.com or at Stifel's website (<http://www.stifel.com>). Free copies of Thomas Weisel Partners filings also may be obtained by directing a request to Thomas Weisel Partners' Investor Relations by phone to 415-364-2500, in writing to Thomas Weisel Partners, Attention: Investor Relations, One Montgomery Street, San Francisco, CA 94104, by email to investorrelations@tweisel.com or at Thomas Weisel Partners' website (<http://www.tweisel.com>).

Proxy Solicitation

Stifel, Thomas Weisel Partners and their respective directors and executive officers may be deemed, under SEC rules, to be participants in the solicitation of proxies from the shareholders of Thomas Weisel Partners with respect to the proposed transaction. More detailed information regarding the identity of the potential participants, and their direct or indirect interests, by securities holdings or otherwise, will be set forth in the registration statement and proxy statement/prospectus and other materials to be filed with the SEC in connection with the proposed transaction. Information regarding Stifel's directors and executive officers is also available in Stifel's definitive proxy statement for its 2010 Annual Meeting of Shareholders filed with the SEC on February 26, 2010. Information regarding Thomas Weisel Partners' directors and executive officers is also available in Thomas Weisel Partners' definitive proxy statement for its 2009 Annual Meeting of Shareholders filed with the SEC on April 16, 2009. These

documents are available free of charge at the SEC's web site at www.sec.gov and from Investor Relations at Thomas Weisel Partners and Stifel.

Cautionary Statement Concerning Forward-Looking Statements

Statements in this Current Report on Form 8-K that relate to Stifel's or Thomas Weisel Partners' future plans, objectives, expectations, performance, events and the like may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Future events, risks and uncertainties, individually or in the aggregate, could cause our actual results to differ materially from those expressed or implied in these forward-looking statements. The material factors and assumptions that could cause actual results to differ materially from current expectations include, without limitation, the following: (1) the inability to close the merger in a timely manner; (2) the inability to complete the merger due to the failure to obtain stockholder approval and adoption of the merger agreement and approval of the merger or the failure to satisfy other conditions to completion of the merger, including required regulatory and court approvals; (3) the failure of the transaction to close for any other reason; (4) the possibility that the integration of Thomas Weisel Partners' business and operations with those of Stifel may be more difficult and/or take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to Thomas Weisel Partners' or Stifel's existing businesses; (5) the challenges of integrating and retaining key employees; (6) the effect of the announcement of the transaction on Stifel's, Thomas Weisel Partners' or the combined company's respective business relationships, operating results and business generally; (7) the possibility that the anticipated synergies and cost savings of the merger will not be realized, or will not be realized within the expected time period; (8) the possibility that the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (9) the challenges of maintaining and increasing revenues on a combined company basis following the close of the merger; (10) diversion of management's attention from ongoing business concerns; (11) general competitive, economic, political and market conditions and fluctuations; (12) actions taken or conditions imposed by the United States and foreign governments; (13) adverse outcomes of pending or threatened litigation or government investigations; (14) the impact of competition in the industries and in the specific markets in which Stifel and Thomas Weisel Partners, respectively, operate; and (15) other factors that may affect future results of the combined company described in the section entitled "Risk Factors" in the proxy statement/prospectus to be mailed to Thomas Weisel Partners' shareholders and in Stifel's and Thomas Weisel Partners' respective filings with the U.S. Securities and Exchange Commission ("SEC") that are available on the SEC's web site located at <http://www.sec.gov>, including the sections entitled "Risk Factors" in Stifel's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, and "Risk Factors" in Thomas Weisel Partners' Annual Report on Form 10-K for the fiscal year ended December 31, 2009. Readers are strongly urged to read the full cautionary statements contained in those materials. We assume no obligation to update any forward-looking statements to reflect events that occur or circumstances that exist after the date on which they were made.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit Number | Description of Exhibit |
|----------------|---|
| 2.1 | Agreement and Plan of Merger dated April 25, 2010, among Stifel, Thomas Weisel Partners and Merger Sub. |
| 10.1 | Form of Voting Agreement. |
| 99.1 | Press Release dated April 26, 2010. |
| 99.2 | Investor Presentation. |

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

Date: April 26, 2010

By: /s/ Ronald J. Kruszewski

Name:

Ronald J. Kruszewski

Title: President and Chief Executive Officer

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EXHIBIT INDEX

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