STIFEL FINANCIAL CORP
Form S-4/A
May 20, 2010
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Registration No. 333-166355

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

Amendment No. 1

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Stifel Financial Corp.

(Exact name of registrant as specified in its charter)

Delaware	**6211**	**43-1273600**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

501 North Broadway

St. Louis, MO 63102

(314) 342-2000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

James M. Zemlyak

Senior Vice President, Chief Financial Officer and Treasurer

Stifel Financial Corp.

501 North Broadway

St. Louis, MO 63102

(314) 342-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

James L. Nouss, Jr., Esq.	**Mark P. Fisher, Esq.**	**Scott D. Miller, Esq.**
Robert J. Endicott, Esq.	**General Counsel and Secretary**	**Sarah P. Payne, Esq.**
Bryan Cave LLP	**Thomas Weisel Partners Group, Inc.**	**Sullivan & Cromwell LLP**
211 North Broadway, Suite 3600 St. Louis, MO 63102	**One Montgomery Street**	**1870 Embarcadero Road**
(314) 259-2000	**San Francisco, CA 94104**	**Palo Alto, CA 94303**
	(415) 364-2500	**(650) 461-5600**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION, DATED MAY 20, 2010

One Montgomery Street

San Francisco, California 94104

May 24, 2010

Dear Stockholder of Thomas Weisel Partners Group, Inc.:

You are cordially invited to attend the 2010 Annual Meeting of Stockholders of Thomas Weisel Partners Group, Inc. (which we refer to as the Annual Meeting) which will be held on Tuesday, June 22, 2010, at 8:00 a.m., Pacific time. Thomas Weisel Partners Group, Inc. (which we refer to as Thomas Weisel Partners) has entered into a merger agreement with Stifel Financial Corp. (which we refer to as Stifel). If the merger and the other transactions contemplated by the merger agreement are approved and consummated, Thomas Weisel Partners will become a wholly-owned subsidiary of Stifel and will no longer be a publicly held corporation. The Thomas Weisel Partners board of directors has unanimously determined that the merger and the merger agreement are advisable, and are fair to, and in the best interests of, Thomas Weisel Partners and its stockholders and has approved the merger agreement and the merger. The merger requires the approval of holders of a majority of the voting power of the outstanding shares of Thomas Weisel Partners common stock, par value $0.01 per share, and Thomas Weisel Partners special voting preferred stock, par value $0.01 per share, voting together as a single class, and we are asking you to vote to approve and adopt the merger agreement and approve the merger at the Annual Meeting. At the Annual Meeting, you will also be asked to vote on the election of Thomas Weisel Partners directors and other Annual Meeting matters. The election of Thomas Weisel Partners directors and approval of the proposals other than the approval and adoption of the merger agreement and approval of the merger are not a condition to the completion of the merger.

Holders of Thomas Weisel Partners common stock and the holder of the one share of Thomas Weisel Partners special voting preferred stock as of the close of business on April 30, 2010, will be entitled to vote at the Annual Meeting. Each share of Thomas Weisel Partners common stock is entitled to one vote for each matter to be voted on at the Annual Meeting. The share of Thomas Weisel Partners special voting preferred stock held by CIBC Mellon Trust Company, as trustee (which we refer to as the trustee), is entitled to cast a number of votes equal to the number of then-outstanding exchangeable shares of TWP Acquisition Company (Canada), Inc. (which we refer to as the exchangeable shares and, together with the shares of Thomas Weisel Partners common stock, we refer to as the Shares) on all matters on which Thomas Weisel Partners common stock is entitled to vote. The trustee will only cast a number of votes on such matters equal to the number of exchangeable shares as to which it has received a voting instruction card from the owners of record of the exchangeable shares (other than Thomas Weisel Partners and any person directly or indirectly controlled by or under common control with Thomas Weisel Partners) as of the record date. The holders of shares entitled to cast a majority of the total votes of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock on April 30, 2010, present in person or represented by proxy at the Annual Meeting and entitled to vote, will constitute a quorum at the Annual Meeting.

On April 30, 2010, there were 26,748,099 shares of Thomas Weisel Partners common stock outstanding held by approximately 124 stockholders of record and one share of Thomas Weisel Partners special voting preferred stock held by the trustee (representing 6,183,121 exchangeable shares entitled to give voting instructions and therefore entitled to 6,183,121 votes). Thomas Weisel Partners does not have cumulative voting, and, except with respect to the share of Thomas Weisel Partners special voting preferred stock as discussed in the section entitled Proposal One: The Merger Appraisal Rights beginning on page 86 of the enclosed proxy statement/prospectus, there are no appraisal or dissenters rights associated with any of the matters scheduled for a vote at the Annual Meeting.

Upon completion of the merger, each share of Thomas Weisel Partners common stock will be converted into the right to receive 0.1364 shares of Stifel common stock. Based on the number of shares of Thomas Weisel

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Partners common stock and Stifel common stock outstanding as of the record date, current Thomas Weisel Partners stockholders are expected to own approximately 12.6% of the outstanding common stock of Stifel (including Stifel common stock issuable in respect of any exchangeable shares of TWP Acquisition Company (Canada), Inc., but not including, in either case, any stock issuable in respect of restricted stock units outstanding after the merger) following the merger.

Assuming that the holders of the exchangeable shares approve an amendment to the articles of TWP Acquisition Company (Canada), Inc. to permit the exchangeable shares to remain outstanding (referred to as the Exchangeable Share Amendment), the exchangeable shares will not be converted into other securities as part of the merger. In that case, each exchangeable share will remain outstanding and become exchangeable for 0.1364 shares of Stifel common stock. In the event the Exchangeable Share Amendment is approved, at the effective time of the merger, the one outstanding share of Thomas Weisel Partners special voting preferred stock will be canceled and automatically converted into one share of Stifel special voting preferred stock. The one share of Stifel special voting preferred stock will entitle the holder to that number of votes equal to the number of shares of Stifel common stock issuable upon exchange of the exchangeable shares outstanding from time to time other than exchangeable shares held by Stifel or any person directly or indirectly controlled by or under common control of Stifel. Pursuant to the merger agreement, if the Exchangeable Share Amendment is not approved, Thomas Weisel Partners will take all actions necessary to (a) cause TWP Acquisition Company (Canada), Inc. to exercise its right to redeem all of the outstanding exchangeable shares or (b) acquire or cause TWP Holdings Company (Canada), ULC to acquire all of the outstanding exchangeable shares, and, as a result of the merger, holders of exchangeable shares would receive shares of Stifel common stock. For a more complete description of what holders of exchangeable shares will receive in the merger, see Annex C, entitled Supplemental Information for the Holders of Exchangeable Shares.

Stifel common stock is traded on the New York Stock Exchange, or the NYSE, under the symbol SF . Based on the closing price of Stifel common stock on the NYSE on April 23, 2010 of $55.74, the last trading day before public announcement of the merger agreement, the merger consideration represented approximately $7.6029 in value for each Thomas Weisel Partners share. Based on the closing price of Stifel common stock on April 30, 2010 of $57.33, the record date for holders of Thomas Weisel Partners common stock and the exchangeable shares to vote at the meeting, the merger consideration represented approximately $7.8197 in value for each Thomas Weisel Partners share.

Both Thomas Weisel Partners and Stifel are excited about this transaction because Thomas Weisel Partners and Stifel believe it will: (1) realize the benefits of the firms highly complementary investment banking and research platforms, where management believes there is relatively little overlap, including less than 10% overlap in research coverage; (2) accelerate Stifel s investment banking business growth while providing scale and stability to Thomas Weisel Partners investment banking operations by expanding Stifel s presence in key growth areas of the global economy, especially in Technology, Healthcare and Natural Resources, raising Stifel s profile within the venture capital community, where Thomas Weisel Partners maintains key relationships, enhancing Stifel s mergers and acquisitions advisory services and equities lead manager credentials and expanding the distribution of Thomas Weisel Partners capital markets offerings through Stifel s Institutional Group and Global Wealth Management segments; (3) diversify the revenue stream and balance the revenue contribution between Stifel s Global Wealth Management and its Institutional Group segments; (4) benefit from the complementary fit between Stifel s Global Wealth Management and Thomas Weisel Partners asset management business; (5) realize benefits from the expansion of Stifel s west coast market presence and the expansion of Stifel s international capabilities via Thomas Weisel Partners Canadian operations, (6) utilize the skills and relationships of the combined senior management teams; and (7) realize benefits from operating cost efficiencies, which the companies believe will allow them to enhance profitability.

The Thomas Weisel Partners board of directors recommends that you vote FOR the proposal to approve and adopt the merger agreement and approve the merger and FOR each of the other proposals described in the accompanying proxy statement/prospectus. In addition, certain executive officers of Thomas Weisel Partners have agreed to vote their shares of Thomas Weisel Partners common stock and give voting instructions with respect to their exchangeable shares, representing in the aggregate approximately 15.8% of the voting power of the outstanding shares of Thomas Weisel Partners common

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stock and Thomas Weisel Partners special voting preferred stock, FOR the proposal to approve and adopt the merger agreement and approve the merger.

Your vote is very important. Regardless of the number of shares you own or whether or not you plan to attend the Annual Meeting, it is important that your shares be represented and voted. Voting instructions are inside. Holders of exchangeable shares should refer to the voting instructions that are included in the Notice to Exchangeable Shareholders that accompanies this proxy statement/prospectus.

The obligations of Stifel and Thomas Weisel Partners to complete the merger are subject to several conditions set forth in the merger agreement and summarized in the accompanying proxy statement/prospectus. Important information about Stifel, Thomas Weisel Partners, the Annual Meeting, the merger agreement, the merger and the other proposals for consideration at the Annual Meeting is contained in or incorporated by reference into the accompanying proxy statement/prospectus. I urge you to read the entire document, including any documents incorporated by reference into the accompanying proxy statement/prospectus and its annexes, carefully and in their entirety. **In particular, you should carefully consider the discussion in the section entitled Risk Factors beginning on page 43 of the accompany proxy statement/prospectus.**

I look forward to seeing you at the Annual Meeting.

Sincerely,

Thomas W. Weisel

Chairman and Chief Executive Officer

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the accompanying proxy statement/prospectus or determined that the accompanying proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

YOUR VOTE IS IMPORTANT.

PLEASE PROMPTLY SUBMIT YOUR PROXY BY TELEPHONE, INTERNET OR MAIL.

The accompanying proxy statement/prospectus is first being distributed to the stockholders of Thomas Weisel Partners on or about May 24, 2010.

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Sources of Additional Information

The accompanying proxy statement/prospectus incorporates important business and financial information about Stifel and Thomas Weisel Partners from documents that are not included in or delivered with this proxy statement/prospectus. Documents incorporated by reference are available from the applicable company without charge, excluding all exhibits unless the applicable company has specifically incorporated by reference an exhibit in this proxy statement/prospectus. You may obtain documents incorporated by reference in the accompanying proxy statement/prospectus by requesting them in writing or by telephone from the applicable company at the following addresses and telephone numbers:

Stifel Financial Corp.	Thomas Weisel Partners Group, Inc.
Attention: Investor Relations	Attention: Investor Relations
501 North Broadway	One Montgomery Street, Suite 3700
St. Louis, Missouri 63102	San Francisco, California 94014
(314) 342-2000	(415) 364-2500

To receive timely delivery of documents in advance of the Annual Meeting, please make your request no later than June 15, 2010.

If you have any questions about the Annual Meeting or if you need additional copies of the accompanying proxy statement/prospectus, you should contact:

Thomas Weisel Partners Group, Inc.

Attention: Investor Relations

One Montgomery Street, Suite 3700

San Francisco, California 94014

(415) 364-2500

To receive timely delivery of additional copies of this proxy statement/prospectus in advance of the Annual Meeting, please make your request no later than June 15, 2010.

For a more detailed description of the information incorporated by reference into this proxy statement/prospectus and how you may obtain it, see Where You Can Find More Information on page 153 of the accompanying proxy statement/prospectus.

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One Montgomery Street

San Francisco, California 94104

NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS

Time & Date:	June 22, 2010, at 8:00 a.m., Pacific time.
Location: (enter at 120 Kearny Street).	One Montgomery Street, 35th Floor, San Francisco, California
Items of Business:	To consider and vote on a proposal to approve and adopt the Agreement and Plan of Merger, dated as of April 25, 2010 (as it may be amended from time to time, the merger agreement), among Stifel, PTAS, Inc. (which we refer to as Merger Sub), a wholly-owned subsidiary of Stifel, and Thomas Weisel Partners, a copy of which is attached as Annex A to the proxy statement/prospectus accompanying this notice, and approve the merger contemplated by the merger agreement;
	To approve the adjournment of the Annual Meeting, if necessary, for any purpose, including to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement and approve the merger at the time of the Annual Meeting;
	To elect eight directors, each to serve until the earliest of Thomas Weisel Partners 2011 annual meeting of stockholders, his or her removal or resignation or, if the merger is completed, the effective time of the merger;
	To ratify the appointment of Deloitte & Touche LLP as Thomas Weisel Partners independent registered accounting firm for 2010; and
	To consider and vote upon any other business that properly comes before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Adjournments and Postponements	Any action on the items of business described above may be considered at the Annual Meeting at the time and on the date specified above or at any time and date to which the Annual Meeting may be properly adjourned or postponed.
Record Date for Voting:	You are entitled to vote (or, in the case of holders of exchangeable shares, direct the trustee to vote as described further below) only if you were a Thomas Weisel Partners stockholder or a holder of exchangeable shares of TWP Acquisition Company (Canada), Inc., as described below, at the close of business on April 30, 2010.

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Meeting Admission: You are entitled to attend the Annual Meeting only if you were a Thomas Weisel Partners stockholder or joint holder or a holder of exchangeable shares of TWP Acquisition Company (Canada), Inc. as of the close of business on April 30, 2010 or hold a valid proxy for the Annual Meeting. You should be prepared to present photo identification for admittance. In addition, if you are a stockholder of record, your name is subject to verification against the list of stockholders of record on the record date prior to being admitted to the meeting. If you are not a stockholder of record but hold shares through a broker or nominee (*i.e.*, in street name), you should be prepared to provide proof of beneficial ownership on the record date, such as your most recent account statement or similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above upon request, you will not be admitted to the Annual Meeting.

The Annual Meeting will begin promptly at 8:00 a.m., Pacific time. Check-in will begin at 7:30 a.m., Pacific time, and you should allow ample time for check-in procedures.

Voting: **Your vote is very important**. Whether or not you plan to attend the Annual Meeting, we encourage you to read the accompanying proxy statement/prospectus and submit your proxy or voting instructions for the Annual Meeting as soon as possible. You may submit your proxy or voting instructions for the Annual Meeting by completing, signing, dating and returning the proxy card or voting instruction card in the pre-addressed envelope provided, or, in most cases, by using the telephone or the Internet. For specific instructions on how to vote your shares, please refer to the section entitled The Thomas Weisel Partners Group, Inc. Annual Meeting beginning on page 61 of the accompanying proxy statement/prospectus and the instructions on the proxy card or voting instruction card.

Inspection of List of Stockholders of Record: A list of the stockholders of record as of April 30, 2010 will be available for inspection during ordinary business hours at the office of Thomas Weisel Partners General Counsel and Secretary, One Montgomery Street, 37th Floor, San Francisco, California 94104, from June 9, 2010 to June 22, 2010, as well as at the Annual Meeting, for any purpose germane to the Annual Meeting.

Holders of Exchangeable Shares: If you hold exchangeable shares of TWP Acquisition Company (Canada), Inc. and you wish to direct the trustee to cast the votes represented by your exchangeable shares attached to the Thomas Weisel Partners special voting preferred stock, you should follow carefully the voting instructions that are included in the Notice to Exchangeable Shareholders that accompanies this proxy statement/prospectus. The procedure for instructing the trustee differs in certain respects from the procedure for delivering a proxy, including the place for depositing the instruction and the manner of revoking the instruction.

Additional Information: Important information about Stifel, Thomas Weisel Partners, the Annual Meeting, the merger and the other proposals for consideration at the Annual Meeting is contained in the accompanying proxy

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statement/prospectus. I urge you to read the entire document, including any documents incorporated by reference into the accompanying proxy statement/prospectus and its annexes, carefully and in their entirety. In particular, you should carefully consider the discussion in the section entitled Risk Factors beginning on page 43.

By Order of the board of directors,

Mark P. Fisher

Secretary

May 24, 2010

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND ANNUAL MEETING

The following are some questions that you, as a Thomas Weisel Partners stockholder or holder of exchangeable shares, may have regarding the merger and the other matters being considered at Thomas Weisel Partners 2010 Annual Meeting of Stockholders, which is referred to as the Annual Meeting, and the answers to those questions. You are urged to carefully read this proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus in their entirety because the information in this section does not provide all of the information that might be important to you with respect to the merger and the other matters being considered at the Annual Meeting. Additional important information is contained in the annexes to, and the documents incorporated by reference into, this proxy statement/prospectus. In this proxy statement/prospectus, unless stated to the contrary or the context requires otherwise, the terms the Company, we, our, ours, and us refer to Thomas Weisel Partners and its subsidiaries.

Q: Why am I receiving this proxy statement/prospectus?

A: Stifel and Thomas Weisel Partners have agreed to a merger. Under the terms of the merger agreement that is described in this proxy statement/prospectus, Thomas Weisel Partners will become a wholly-owned subsidiary of Stifel and will no longer be a publicly held corporation. See Proposal One: The Merger and The Merger Agreement. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A. This proxy statement/prospectus contains important information about Stifel, Thomas Weisel Partners, the Annual Meeting, the merger agreement, the merger and the other proposals for consideration at the Annual Meeting. This document is being delivered to you as both a proxy statement of Thomas Weisel Partners and a prospectus of Stifel in connection with the merger. It is the proxy statement by which the Thomas Weisel Partners board of directors is soliciting proxies from you to vote on the approval and adoption of the merger agreement and the approval of the merger and the other matters to be voted on at Thomas Weisel Partners Annual Meeting or at any adjournment or postponement of the Annual Meeting. It is also the prospectus pursuant to which Stifel will issue (or reserve for issuance) Stifel common stock to you in the merger.

You are receiving this proxy statement/prospectus because you have been identified as a stockholder of Thomas Weisel Partners and may be entitled to vote at the upcoming Annual Meeting or you hold exchangeable shares and may be entitled to instruct the holder of the Thomas Weisel Partners special voting preferred stock how to vote at the upcoming Annual Meeting. To complete the merger, the holders of a majority of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock, voting together as a single class, must vote to approve and adopt the merger agreement and approve the merger, and all other conditions to the merger must be satisfied or waived. You should read this proxy statement/prospectus carefully.

Q: What will happen in the proposed merger?

A: In the merger, Merger Sub, a wholly-owned subsidiary of Stifel, will merge with and into Thomas Weisel Partners. As a result, Thomas Weisel Partners will become a wholly-owned subsidiary of Stifel and will no longer be a publicly held corporation. See Proposal One: The Merger Structure of the Merger.

Q: Why are Stifel and Thomas Weisel Partners proposing to merge?

A: Stifel and Thomas Weisel Partners are proposing to merge because they believe that the complementary strengths of their two companies make a combination compelling and in the best interests of each company and our respective stockholders, clients and employees. Stifel and Thomas Weisel Partners believe the combination of Stifel and Thomas Weisel Partners will:

- realize the benefits of the firms highly complementary investment banking and research platforms, where management believes there is relatively little overlap, including less than 10% overlap in research coverage;

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- accelerate Stifel s investment banking business growth, while providing scale and stability to Thomas Weisel Partners investment banking operations, by:
  - expanding Stifel s presence in key growth areas of the global economy, particularly in Technology, Healthcare and Natural Resources;
  - raising Stifel s profile within the venture capital community, where Thomas Weisel Partners maintains key relationships;
  - enhancing Stifel s mergers and acquisitions advisory services and equities lead manager credentials; and
  - expanding the distribution of Thomas Weisel Partners capital markets offerings through Stifel s Institutional Group and Global Wealth Management segments;
- diversify the revenue stream and balance the revenue contribution between Stifel s Global Wealth Management and its Institutional Group segments;
- benefit from the complementary fit between Stifel s Global Wealth Management and Thomas Weisel Partners asset management business in a natural and complementary way;
- realize benefits from the expansion of Stifel s west coast market presence and the expansion of Stifel s international capabilities via Thomas Weisel Partners Canadian operations;
- utilize the skills and relationships of the combined senior management teams; and
- realize benefits from operating cost efficiencies, which the companies believe will allow them to enhance profitability.

Please see page 70 of this proxy statement/prospectus for the factors considered by the Thomas Weisel Partners board of directors in recommending that Thomas Weisel Partners stockholders vote **FOR** the proposal to approve and adopt the merger agreement and approve the merger. Please see page 80 of this proxy statement/prospectus for Stifel s reasons for the merger.

Q: What will I receive in the merger?

A: If the merger agreement is approved and adopted and the merger is approved by Thomas Weisel Partners stockholders and the merger is completed, you will receive 0.1364 shares of Stifel common stock in exchange for each share of Thomas Weisel Partners common stock that you own. The holder of the one share of Thomas Weisel Partners special voting preferred stock will receive one share of Stifel special voting preferred stock, which will have substantially the same rights and privileges as the Thomas Weisel Partners special voting preferred stock (except that the issuer thereof will be Stifel rather than Thomas Weisel Partners and the voting rights applicable thereto shall apply to Stifel common stock rather than Thomas Weisel Partners common stock).

If you are a Thomas Weisel Partners stockholder, you will not receive fractional shares of Stifel common stock. Instead, you will receive the cash value, without interest, of any fractional share of Stifel common stock that you might otherwise have been entitled to receive, based on the 10-day average closing price for Stifel common stock ending on the second complete trading day prior to the closing date of the merger.

Q: ***What will holders of exchangeable shares of Thomas Weisel Partners Canadian subsidiary, TWP Acquisition Company (Canada), Inc., receive in the merger?***

A: Assuming that the holders of the exchangeable shares approve the Exchangeable Share Amendment, the exchangeable shares will not be converted into other securities as part of the merger. In that case, each exchangeable share will remain outstanding and become exchangeable for 0.1364 shares of Stifel common stock. In the event the Exchangeable Share Amendment is approved, at the effective time of the merger, the

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one outstanding share of Thomas Weisel Partners special voting preferred stock will be canceled and automatically converted into one share of Stifel special voting preferred stock. The one share of Stifel special voting preferred stock will entitle the holder to that number of votes equal to the number of shares of Stifel common stock issuable upon exchange of the exchangeable shares outstanding from time to time other than exchangeable shares held by Stifel or any person directly or indirectly controlled by or under common control of Stifel. Pursuant to the merger agreement, if the Exchangeable Share Amendment is not approved, Thomas Weisel Partners will take all actions necessary to (a) cause TWP Acquisition Company (Canada), Inc. to exercise its right to redeem all of the outstanding exchangeable shares or (b) acquire or cause TWP Holdings Company (Canada), ULC to acquire all of the outstanding exchangeable shares, and, as a result of the merger, holders of exchangeable shares would receive shares of Stifel common stock. For a further description of what holders of exchangeable shares will receive in the merger, see Annex C, entitled Supplemental Information for the Holders of Exchangeable Shares.

Q: How will the merger affect stock options to acquire Thomas Weisel Partners common stock, other equity awards and the warrant?

A: At the effective time of the merger, each Thomas Weisel Partners restricted stock unit award will be converted into the right to receive a number of shares of Stifel common stock equal to the number of shares of Thomas Weisel Partners common stock subject to such award multiplied by the exchange ratio. Following the effective time of the merger, each restricted stock unit will continue to be governed by the same terms and conditions, including any vesting requirements, as were applicable prior to the merger. At the effective time of the merger, all outstanding Thomas Weisel Partners stock options will be converted into the right to acquire a number of shares of Stifel common stock equal to the number of shares of Thomas Weisel Partners common stock subject to such award multiplied by the exchange ratio, and the exercise price of the award will equal the exercise price per share of Thomas Weisel Partners common stock applicable to such award divided by the exchange ratio. Following the effective time of the merger, each stock option will continue to be governed by the same terms and conditions, including any vesting requirements, as were applicable prior to the merger.

At the effective time of the merger, the outstanding Thomas Weisel Partners warrant will be converted into the right to purchase and receive a number of shares of Stifel common stock equal to the number of shares of Thomas Weisel Partners common stock subject to the warrant multiplied by the exchange ratio, and the exercise price of the warrant will equal the exercise price per share of Thomas Weisel Partners common stock of such warrant divided by the exchange ratio.

Q: When do you expect the merger to be completed?

A: Stifel and Thomas Weisel Partners are working toward completing the merger as quickly as possible. The merger is expected to close on or around June 30, 2010, subject to receipt of Thomas Weisel Partners stockholder approval, governmental and regulatory approvals and other usual and customary closing conditions. However, no assurance can be given as to when, or if, the merger will occur.

Q: Are there conditions to completing the merger?

A: Yes. Stifel and Thomas Weisel Partners respective obligations to complete the merger are subject to the satisfaction or waiver of certain specified closing conditions. See The Merger Agreement Conditions to Complete the Merger.

Q: What happens if the merger is not completed?

A: If the merger agreement is not approved and adopted by Thomas Weisel Partners stockholders or if the merger is not completed for any other reason, you will not receive any payment for your shares of Thomas Weisel Partners common stock or Thomas Weisel Partners special voting preferred stock in connection with the merger. Instead, Thomas Weisel Partners will remain an independent public company and its common stock will continue to be listed and traded on the Nasdaq Global Market. If the merger agreement is terminated under specified circumstances, Thomas Weisel Partners may be required to pay Stifel a termination fee of $10,000,000 as described under The Merger Agreement Expenses and Fees Termination Fees Payable by Thomas Weisel Partners beginning on page 102.

Q: Am I entitled to appraisal rights?

A: Holders of Thomas Weisel Partners common stock are not entitled to appraisal rights under the Delaware General Corporation Law in connection with the merger. The holder of the share of Thomas Weisel Partners special voting preferred stock may have appraisal rights under certain conditions and should refer to Annex D for a summary of appraisal rights procedures relating to the Thomas Weisel Partners special voting preferred stock.

Q: What are the tax consequences of the merger to me?

A: The merger is intended to constitute a reorganization for United States federal income tax purposes. If so treated, the exchange of your shares of Thomas Weisel Partners common stock for shares of Stifel common stock generally will not cause you to recognize gain or loss for U.S. federal income tax purposes. However, you will recognize income or gain with respect to cash received instead of any fractional shares of Stifel common stock. It is a condition to the merger that Stifel and Thomas Weisel Partners receive legal opinions to the effect that the merger constitutes such a reorganization for United States federal income tax purposes. These opinions will not bind the Internal Revenue Service, which could take a different view. To review the tax consequences to stockholders in greater detail, see Material United States Federal Income Tax Consequences of the Merger beginning on page 146.

The consequences of the merger to any particular stockholder will depend on that stockholder s particular facts and circumstances. Accordingly, you are urged to consult your own tax advisor to determine your own tax consequences from the merger.

Holders of exchangeable shares should refer to Annex C for a summary of material Canadian federal income tax considerations.

Q: Are there any risks related to the proposed transaction or any risks related to owning Stifel common stock?

A: Yes. You should carefully review the risk factors beginning on page 43.

Q: What stockholder approvals are required for the merger?

A: To approve and adopt the merger agreement and approve the merger, the holders of a majority of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock, voting together as a single class, must vote FOR the approval and adoption of the merger agreement and the approval of the merger. Only holders of record of Thomas Weisel Partners common stock and the one share of Thomas Weisel Partners special voting preferred stock at the close of business on April 30, 2010, referred to in this proxy statement/prospectus as the record date, are entitled to notice of and to vote at the Annual Meeting. As of the record date, there were 26,748,099 shares of Thomas Weisel Partners common stock and one share of Thomas Weisel Partners special voting preferred stock held by the trustee (representing 6,183,121 exchangeable shares entitled to give voting instructions and therefore entitled to 6,183,121 votes) outstanding and entitled to vote at the Annual Meeting. Failure to vote your shares, abstentions and broker non-votes will have the same effect as voting against the proposal to approve and adopt the merger agreement and approve the merger. See The Thomas Weisel Partners Annual Meeting Quorum; Vote Required; Abstentions; Shares Held in Street Name. The election of Thomas Weisel Partners directors and approval of the proposals other than the approval and adoption of the merger agreement and approval of the merger are not a condition to the completion of the merger.

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If you hold exchangeable shares of TWP Acquisition Company (Canada), Inc. as of the record date and you wish to direct the trustee to cast the votes represented by your exchangeable shares attached to the Thomas Weisel Partners special voting preferred stock, you should follow carefully the voting instructions that are included in the Notice to Exchangeable Shareholders that accompanies this proxy statement/prospectus. The procedure for instructing the trustee differs in certain respects from the procedure for delivering a proxy, including the place for depositing the instruction and the manner of revoking the instruction.

Q: What stockholder approvals are required for the adjournment of the Annual Meeting, if necessary, for any purpose, including to solicit additional proxies in favor of the approval and adoption of the merger agreement and the approval of the merger?

A: A majority of the votes cast FOR or AGAINST the adjournment of the Annual Meeting, if necessary, for any purpose, including to solicit additional proxies in favor of the approval and adoption of the merger agreement and the approval of the merger must be voted FOR such proposal for it to pass. Abstentions are not treated as a vote FOR or AGAINST, and will have no effect on the outcome of the vote on any proposal to adjourn the Annual Meeting. See The Thomas Weisel Partners Annual Meeting Quorum; Vote Required; Abstentions.

Q: What do I need to do now?

A: Please carefully review this proxy statement/prospectus and vote the proxy card or voting instruction card you receive as soon as possible. Your proxy card or voting instruction card must be received, or you must vote using the telephone or the Internet if available, no later than 11:59 p.m., Eastern time, on June 21, 2010 in order for your shares to be voted at the Annual Meeting, unless you attend and vote at the Annual Meeting.

Q: How does the Thomas Weisel Partners board of directors recommend I vote on the merger and adjournment proposals?

A: After careful consideration, the Thomas Weisel Partners board of directors unanimously determined that the merger and the merger agreement are advisable, and are fair to, and in the best interests of, Thomas Weisel Partners and its stockholders and approved the merger agreement and the merger. Accordingly, the Thomas Weisel Partners board of directors recommends that you vote **FOR** the proposal to approve and adopt the merger agreement and approve the merger and **FOR** the adjournment of the Annual Meeting, if necessary, for any purpose, including to solicit additional proxies in favor of the approval and adoption of the merger agreement and the approval of the merger. See Proposal One: The Merger Thomas Weisel Partners Reasons for the Merger; Recommendation of the Thomas Weisel Partners Board of Directors.

Q: Why is it important for me to vote?

A: Thomas Weisel Partners and Stifel cannot complete the merger without the approval of holders of a majority of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock, voting together as a single class. Therefore, any shares that are not voted will have the same effect as a vote AGAINST the merger.

Q: Have any Thomas Weisel Partners stockholders agreed to vote FOR the merger agreement and the merger?

A: Yes. Thomas Weisel, Chairman and Chief Executive Officer, Lionel P. Conacher, former President and Chief Operating Officer, Thomas Carbeau, Head of Institutional Sales, Richard Gay, Head of Research,

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William McLeod, Co-Head of Investment Banking, Brad Raymond, Co-Head of Investment Banking, Paul Slivon, Chairman of Wealth Management, Anthony Stais, Head of Trading, and Shaugn Stanley, Chief Administrative Officer have agreed to vote their shares of Thomas Weisel Partners common stock and give voting instructions with respect to their exchangeable shares, representing in the aggregate, as of the record date, approximately 15.8% of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock, **FOR** the proposal to approve and adopt the merger agreement and approve the merger.

Q: Do I need to send in my Thomas Weisel Partners stock certificates now?

A: No. If the merger is consummated, instructions will be sent to you regarding the exchange of your Thomas Weisel Partners stock certificates for the merger consideration payable to you in the merger.

Q: When and where will the Thomas Weisel Partners Annual Meeting be held?

A: The Annual Meeting will take place on June 22, 2010, at One Montgomery Street, 35th Floor, San Francisco, California, commencing at 8:00 a.m., Pacific time.

Q: What matters will be voted on at the Annual Meeting?

A: You will be asked to vote on the following proposals:

To approve and adopt the merger agreement and approve the merger contemplated by the merger agreement;

To approve the adjournment of the Annual Meeting, if necessary, for any purpose, including to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement and approve the merger at the time of the Annual Meeting;

To elect eight directors, each to serve until the earliest of Thomas Weisel Partners 2011 annual meeting of stockholders, his or her removal or resignation or, if the merger is completed, the effective time of the merger;

To ratify the appointment of Deloitte & Touche LLP as Thomas Weisel Partners independent registered accounting firm for 2010; and

To conduct any other business that properly comes before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Q: What vote is needed for each proposal?

A: The following are the vote requirements for the various proposals:

Approval and Adoption of the Merger Agreement and Approval of the Merger: You may vote FOR, AGAINST or ABSTAIN with respect to the approval and adoption of the merger agreement and approval of the merger. To approve and adopt the merger agreement and approve the merger, the holders of a majority of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock, voting together as a single class, must vote FOR the approval and adoption of the merger agreement and the approval of the merger.

Election of Directors. You may vote FOR or WITHHOLD with respect to any or all director nominees. The election of a director requires a plurality of the votes that are cast FOR the election of directors. Accordingly, the eight nominees receiving the highest number of FOR (among votes properly cast in person or by proxy and entitled to vote) will be elected. A properly executed proxy marked WITHHOLD with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, and because there are eight nominees for eight director positions, WITHHOLD votes will have no effect on the outcome of the vote for the election of directors.

All Other Matters. You may vote FOR, AGAINST or ABSTAIN with respect to all other matters at the Annual Meeting. A majority of the votes cast FOR or AGAINST each other matter must be voted FOR such matter for it to pass. Abstentions are not treated as a vote FOR or AGAINST a proposal and will have no effect on the outcome of the vote for such proposal.

Q: Who are the director nominees?

A: The eight director nominees are Thomas W. Weisel, Thomas I.A. Allen, Matthew R. Barger, Michael W. Brown, Robert E. Grady, B. Kipling Hagopian, Alton F. Irby III and Timothy A. Koogle. Each of the eight nominees is currently a member of the Thomas Weisel Partners board of directors and has been recommended for election to the Thomas Weisel Partners board of directors by Thomas Weisel Partners Corporate Governance and Nominations Committee and approved and nominated for election by the Thomas Weisel Partners board of directors. See Proposal Three Election of Directors.

Q: How does the Thomas Weisel Partners board of directors recommend that I vote with respect to the election of directors?

A: The Thomas Weisel Partners board of directors unanimously recommends that you vote **FOR** the election of each of the nominated directors. See Proposal Three Election of Directors.

Q: As a Thomas Weisel Partners stockholder, why am I electing Thomas Weisel Partners directors when I am being asked to approve and adopt the merger agreement and approve the merger?

A: Delaware law requires Thomas Weisel Partners to hold a meeting of its stockholders each year. Thomas Weisel Partners has determined that it will observe this requirement and hold the meeting to elect directors to the Thomas Weisel Partners board of directors such that the directors elected at the Annual Meeting will serve as directors of Thomas Weisel Partners following the Annual Meeting through the earliest of Thomas Weisel Partners 2011 annual meeting of stockholders, his or her removal or resignation or, if the merger is completed, the effective time of the merger. Upon completion of the merger, the individuals serving as Thomas Weisel Partners directors immediately prior to the completion of the merger are expected to resign and will be replaced by designees of Stifel, although some of the current Thomas Weisel Partners directors may be nominated to become members of Stifel s board of directors. See Proposal One: The Merger Board of Directors and Executive Officers of Stifel Following the Merger.

Q: Who can vote at the Annual Meeting?

A: Thomas Weisel Partners stockholders of record at the close of business on the record date are entitled to vote at the Annual Meeting.

Q: What if I own exchangeable shares?

A: Voting instructions for directing the trustee to cast the votes represented by your exchangeable shares, as well as instructions for attending the Annual Meeting if you hold exchangeable shares, are included in the Notice to Exchangeable Shareholders that accompanies this proxy statement/prospectus. The procedure for instructing the trustee differs in certain respects from the procedure for delivering a proxy, including the place for depositing the instruction and the manner of revoking the instruction. If you do not provide voting instructions for your exchangeable shares, they cannot be voted by the trustee and will not be counted for any purposes, including for determining the presence or absence of a quorum for the transaction of business.

Q: ***What is the record date for the Annual Meeting?***

A: The record date for the Annual Meeting is April 30, 2010.

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Q: What constitutes a quorum for purposes of the Annual Meeting?

A: The holders of shares entitled to cast a majority of the total votes of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock on April 30, 2010, the record date, present in person or represented by proxy at the Annual Meeting and entitled to vote, will constitute a quorum for the transaction of business at the Annual Meeting. Withheld votes, abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business.

Q: How can I vote?

A: If you are a stockholder of record, you may submit a proxy for the Annual Meeting by: (1) completing, signing, dating and returning the proxy card in the pre-addressed envelope provided; (2) using the telephone; or (3) using the Internet. For specific instructions on how to use the telephone or the Internet to submit a proxy for the Annual Meeting, please refer to the instructions on your proxy card.

Voting instructions for directing the trustee to cast the votes represented by your exchangeable shares, as well as instructions for attending the Annual Meeting if you hold exchangeable shares, are included in the Notice to Exchangeable Shareholders that accompanies this proxy statement/prospectus. The procedure for instructing the trustee differs in certain respects from the procedure for delivering a proxy, including the place for depositing the instruction and the manner of revoking the instruction.

If you hold your shares of Thomas Weisel Partners common stock or exchangeable shares in a stock brokerage account or if your shares are held by a bank or nominee (i.e., in street name), you must provide the stockholder of record of your shares with instructions on how to vote your shares. Please check the voting instruction card used by your broker or nominee to see if you may use the telephone or the Internet to provide instructions on how to vote your shares.

If you are a stockholder of record, you may also vote in person at the Annual Meeting. If you hold shares in a stock brokerage account or if your shares are held by a bank or nominee (i.e., in street name), you may not vote in person at the Annual Meeting unless you obtain a signed proxy from the stockholder of record giving you the right to vote the shares. You will also need to present photo identification and comply with the other procedures described in The Thomas Weisel Partners Annual Meeting Date, Time and Place; Attending the Annual Meeting on page 61. Giving a proxy will not affect your right to vote your Thomas Weisel Partners shares if you attend the Annual Meeting and want to vote in person.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: Many Thomas Weisel Partners stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. There are some important distinctions between shares held of record and shares beneficially owned.

Stockholder of Record: If your shares are registered directly in your name with Thomas Weisel Partners transfer agent, you are considered the stockholder of record with respect to those shares and this proxy statement/prospectus is being sent directly to you by Thomas Weisel Partners. As a stockholder of record, you have the right to grant your proxy directly to Thomas Weisel Partners or to vote in person at the Annual Meeting. Thomas Weisel Partners has enclosed a proxy card for your use.

Beneficial Owner: If your shares are held in a brokerage account, bank account or by another nominee, you are considered the beneficial owner of shares held in street name, and this proxy statement/prospectus is being forwarded to you by your broker, bank or nominee together with a voting instruction card. As the beneficial owner, you have the right to direct your broker, bank or other nominee how to vote and are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, bank or nominee that holds your shares, giving you the right to vote the shares instead of the broker, bank or nominee holding your shares. Your broker, bank or nominee has enclosed voting instructions for your use in directing your broker, bank or nominee how to vote your shares.

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Q: What do I do if I receive more than one proxy statement/prospectus or set of voting instructions?

A: If you hold shares directly as a stockholder of record and also in street name, or otherwise through a nominee, you may receive more than one proxy statement/prospectus and/or set of voting instructions relating to the meeting. These should each be voted and/or returned separately in order to ensure that all of your shares are voted.

Q: What happens if I don t indicate how to vote on my proxy card?

A: If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be counted voted as the Thomas Weisel Partners board of directors recommends, which is:

FOR the approval and adoption of the merger agreement and approval of the merger;

FOR the approval of the adjournment of the meeting, if necessary, for any purpose, including to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement and approve the merger;

FOR the election to the Thomas Weisel Partners board of directors of each of the nominees for director named in this proxy statement/prospectus; and

FOR the ratification of the appointment of Deloitte & Touche LLP as Thomas Weisel Partners independent auditors for 2010.

Q: What happens if I do not vote?

A: If you do not sign and send in your proxy card, vote using the telephone or the Internet or vote at the Annual Meeting, or submit voting instructions, as applicable, it will have the effect of a vote against the approval and adoption of the merger agreement and approval of the merger, but it will not affect all other proposals, including the election of directors, the adjournment proposal and the proposal to ratify the appointment of the independent registered public accounting firm. See The Annual Meeting Quorum; Required Votes; Abstentions; Shares Held in Street Name.

Q: What happens if I abstain?

A: Abstentions are counted as present and entitled to vote for purposes of determining a quorum. For the proposal to approve and adopt the merger agreement and approve the merger, abstentions have the same effect as a vote against the merger. If you abstain from voting with respect to the other proposals, including the election of directors, the adjournment proposal and the proposal to ratify the appointment of the independent registered public accounting firm, you will effectively not vote on that matter at the meeting. Abstentions are not considered to be votes cast under the Thomas Weisel Partners bylaws or under the laws of Delaware (Thomas Weisel Partners state of incorporation) and will have no effect on the outcome of the vote for any proposals other than the proposal to approve and adopt the merger agreement and approve the merger.

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A: *No.* If your shares are held in an account at a broker, you must instruct the broker on how to vote your shares. If you do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. This is called a broker non-vote. In these cases, the broker can register your shares as being present at the meeting for purposes of determining the presence of a quorum but will not be able to vote on those matters for which specific authorization is required. Under the current rules of the NYSE, we believe that brokers do not have discretionary authority to vote on the proposal to approve and adopt the merger agreement and approve the merger or the election of directors, but that the ratification of the appointment of independent auditors is a routine matter on which brokers will be permitted to vote any un-voted shares. Accordingly, a broker non-vote will have the same effect as a vote

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against approval and adoption of the merger agreement and approval of the merger and a WITHHOLD vote for the election of directors, but will have no effect on whether the other proposals are approved. Because Thomas Weisel Partners LLC is affiliated with Thomas Weisel Partners, NYSE policy specifies that when Thomas Weisel Partners LLC votes on routine matters , it may do so only in the same proportion as all other shares of record are voted with respect to each proposal.

Q: Can I change my vote after I have voted?

A: Yes. Thomas Weisel Partners stockholders of record may revoke their proxies at any time prior to the time their proxies are voted at the Annual Meeting. Proxies may be revoked by written notice to the corporate secretary of Thomas Weisel Partners, by a later-dated proxy signed and returned by mail, or by attending the Annual Meeting and voting in person. However, attending the Annual Meeting without voting will not revoke your previously submitted proxy. Thomas Weisel Partners stockholders of record may also revoke proxies by a later-dated proxy using the telephone or the Internet voting procedures described on their proxy cards.

Thomas Weisel Partners stockholders whose shares are held in the name of a broker or nominee may change their votes by submitting new voting instructions to their brokers or nominees. Those Thomas Weisel Partners stockholders may not vote their shares in person at the Annual Meeting unless they obtain a signed proxy from the stockholder of record giving them the right to vote their shares.

Holders of exchangeable shares should refer to the Notice to Exchangeable Shareholders that accompanies this proxy statement/prospectus, informing such holders of their rights with respect to directing the voting of the votes attached to the share of Thomas Weisel Partners special voting preferred stock.

Q: Who will count the votes?

A: Thomas Weisel Partners has retained BNY Mellon Stockholder Services to receive and tabulate the votes in connection with the Annual Meeting. Thomas Weisel Partners has also retained through BNY Mellon Stockholder Services an election inspector that will certify the results and perform any other acts required by the Delaware General Corporation Law.

Q: What do I do if I have questions?

A: If you have any questions about the Annual Meeting or if you need additional copies of this proxy statement/prospectus, you should contact:

Thomas Weisel Partners Group, Inc.

Attention: Investor Relations

One Montgomery Street, Suite 3700

San Francisco, California 94014

(415) 364-2500

This proxy statement/prospectus incorporates important business and financial information about Stifel and Thomas Weisel Partners that is not included in, or delivered with, this proxy statement/prospectus. The applicable company will provide you with copies of the information relating to such company, without charge, upon written or oral request to:

Stifel Financial Corp.	Thomas Weisel Partners Group, Inc.
Attention: Investor Relations	Attention: Investor Relations
501 North Broadway	One Montgomery Street, Suite 3700
St. Louis, Missouri 63102	San Francisco, California 94014
(314) 342-2000	(415) 364-2500

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. You are encouraged to read carefully this entire proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger agreement, the merger and the other matters being considered at the Annual Meeting. See Where You Can Find More Information on page 153. The merger agreement is attached as Annex A to this proxy statement/prospectus and is incorporated herein by reference. You are encouraged to read it, as it is the most important legal document that governs the merger. Page references are included in parentheses to direct you to a more complete description contained elsewhere in this proxy statement/prospectus of the topics presented in this summary. ***In addition, Stifel and Thomas Weisel Partners encourage you to read the information incorporated by reference into this proxy statement/prospectus, which includes important business and financial information about Stifel and Thomas Weisel Partners that has been filed with the Securities and Exchange Commission, which is referred to as the SEC in this proxy statement/prospectus. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in the section titled Where You Can Find More Information beginning on page 153 of this proxy statement/prospectus.***

The Companies

Stifel Financial Corp.

501 North Broadway

St. Louis, Missouri 63102

(314) 342-2000

Stifel (NYSE: SF) is a financial services holding company headquartered in St. Louis. Stifel operates 294 offices in 42 states and the District of Columbia through its principal subsidiary, Stifel, Nicolaus & Company, Incorporated, and in three European offices through its subsidiary, Stifel Nicolaus Limited. Stifel, with operations in two business segments: Global Wealth Management and Institutional Group (formerly Capital Markets), provides securities brokerage, investment banking, trading, investment advisory, and related financial services, primarily, to individual investors, professional money managers, businesses, and municipalities. Stifel Bank & Trust, a Missouri retail and commercial bank, offers a full range of consumer and commercial lending solutions.

The Global Wealth Management segment consists of two businesses, the private client group and Stifel Bank. The private client group includes branch offices and independent contractor offices of our broker-dealer subsidiaries located throughout the United States, primarily in the Midwest and Mid-Atlantic regions with a growing presence in the Northeast, Southeast and Western United States. These branches provide securities brokerage services, including the sale of equities, mutual funds, fixed income products, and insurance, as well as offering banking products to their private clients through Stifel Bank, which provides residential, consumer, and commercial lending, as well as FDIC-insured deposit accounts to customers of our broker-dealer subsidiaries and to the general public.

The Institutional Group segment includes institutional sales and trading. It provides securities brokerage, trading, and research services to institutions with an emphasis on the sale of equity and fixed income products. This segment also includes the management of and participation in underwritings for both corporate and public finance (exclusive of sales credits, which are included in the Global Wealth Management segment), merger and acquisition, and financial advisory services.

Additional information about Stifel and its subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information beginning on page 153.

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Thomas Weisel Partners Group, Inc.

One Montgomery Street, Suite 3700

San Francisco, California 94014

(415) 364-2500

Thomas Weisel Partners (NASDAQ: TWPG) is an investment bank, founded in 1998, focused principally on the growth sectors of the economy. Thomas Weisel Partners generates revenues from three principal sources: investment banking, brokerage and asset management. The investment banking group is comprised of two primary categories of services: corporate finance and strategic advisory. The brokerage group provides equity sales and trading services to institutional investors, and offers brokerage, advisory services to high-net-worth individuals and corporate clients. The asset management group consists of: private investment funds, public equity investment products and distribution management. Thomas Weisel Partners is headquartered in San Francisco with additional offices in Baltimore, Boston, Calgary, Chicago, Dallas, Denver, New York, Portland, Toronto, London and Zurich.

Additional information about Thomas Weisel Partners and its subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information beginning on page 153.

PTAS, Inc.

501 North Broadway

St. Louis, Missouri 63102

(314) 342-2000

PTAS, Inc., sometimes referred to in this proxy statement/prospectus as Merger Sub, is a newly-formed and wholly-owned subsidiary of Stifel. If Stifel and Thomas Weisel Partners complete the merger, Merger Sub will be merged with and into Thomas Weisel Partners, with Thomas Weisel Partners becoming a wholly-owned subsidiary of Stifel. Merger Sub was organized solely for use in the merger. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement.

The Merger

(see page 88)

Stifel and Thomas Weisel Partners agreed to the acquisition of Thomas Weisel Partners by Stifel under the terms of the merger agreement that is described in this proxy statement/prospectus. Pursuant to the merger agreement, Merger Sub will merge with and into Thomas Weisel Partners, with Thomas Weisel Partners continuing as a wholly owned subsidiary of Stifel. It is intended that the merger will be effected immediately after the effective time of the merger without further approval, authorization or direction from or by any of the parties to the merger agreement. Stifel and Thomas Weisel Partners have attached the merger agreement as Annex A to this proxy statement/prospectus. Stifel and Thomas Weisel Partners encourage you to read carefully the merger agreement in its entirety because it is the legal document that governs the merger.

Effects of the Merger; Merger Consideration

(see page 89)

At the effective time of the merger, each share of Thomas Weisel Partners common stock issued and outstanding, except for shares of Thomas Weisel Partners common stock that are owned by Thomas Weisel Partners or Stifel or by any direct or indirect wholly-owned subsidiary of Thomas Weisel Partners (which will be canceled as a result of the merger) will be converted into the right to receive, subject to certain adjustments as described below, 0.1364 shares of Stifel common stock.

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Other than a possible adjustment under limited circumstances as described in the following paragraph, the exchange ratio of 0.1364 of a share of Stifel common stock is fixed, and it will not change between now and the date of the merger, including as a result of a change in the trading price of Stifel common stock or Thomas Weisel Partners common stock or the operating and financial performance of either company. Therefore, the specific dollar value of the shares of Stifel common stock received by Thomas Weisel Partners stockholders in the merger will depend on the market value of Stifel common stock at the time the merger is completed.

The exchange ratio will be adjusted if between signing of the merger agreement and the effective time of the merger the outstanding Stifel common stock or Thomas Weisel Partners common stock, or securities convertible or exchangeable into or exercisable into Stifel common stock or Thomas Weisel Partners common stock, is changed into a different number of shares or different class by reason of any distribution, reclassification, stock split (including a reverse split), stock dividend or distribution, recapitalization, merger, subdivision, issuer tender or exchange offer with a record date within such period, or any similar event occurs, in which case the exchange ratio will be adjusted to eliminate the effects of such event on the merger consideration.

Assuming that the holders of the exchangeable shares approve the Exchangeable Share Amendment, the exchangeable shares will not be converted into other securities as part of the merger. In that case, each exchangeable share will remain outstanding and become exchangeable for 0.1364 shares of Stifel common stock. In the event the Exchangeable Share Amendment is approved, at the effective time of the merger, the one outstanding share of Thomas Weisel Partners special voting preferred stock will be canceled and automatically converted into one share of Stifel special voting preferred stock. The one share of Stifel special voting preferred stock will entitle the holder to that number of votes equal to the number of shares of Stifel common stock issuable upon exchange of the exchangeable shares outstanding from time to time other than exchangeable shares held by Stifel or any person directly or indirectly controlled by or under common control of Stifel. Pursuant to the merger agreement, if the Exchangeable Share Amendment is not approved, Thomas Weisel Partners will take all actions necessary to (a) cause TWP Acquisition Company (Canada), Inc. to exercise its right to redeem all of the outstanding exchangeable shares or (b) acquire or cause TWP Holdings Company (Canada), ULC to acquire all of the outstanding exchangeable shares, and, as a result of the merger, holders of exchangeable shares would receive shares of Stifel common stock. For a more complete description of what holders of exchangeable shares will receive in the merger, see Annex C, entitled Supplemental Information for the Holders of Exchangeable Shares.

Stifel will not issue fractional shares of Stifel common stock in the merger. As a result, Thomas Weisel Partners shareholders will receive cash for any fractional shares of Stifel common stock that they would otherwise be entitled to receive in the merger. For a full description of the treatment of fractional shares, see The Merger Agreement Merger Consideration beginning on page 87 of this proxy statement/prospectus.

For a full description of the merger consideration, see The Merger Agreement Merger Consideration beginning on page 89 of this proxy statement/prospectus.

Treatment of Thomas Weisel Partners Stock Options and Other Equity-Based Awards and Warrant

(see page 89)

At the effective time of the merger, each Thomas Weisel Partners restricted stock unit award will be converted into the right to receive a number of shares of Stifel common stock equal to the number of shares of Thomas Weisel Partners common stock subject to such award multiplied by the exchange ratio. Following the effective time of the merger, each restricted stock unit will continue to be governed by the same terms and conditions, including any vesting requirements, as were applicable prior to the merger. At the effective time of the merger, all outstanding Thomas Weisel Partners stock options will be converted into the right to acquire a number of shares of Stifel common stock equal to the number of shares of Thomas Weisel Partners common stock subject to such award multiplied by the exchange ratio, and the exercise price of the award will equal the exercise price per share of Thomas Weisel Partners common stock applicable to such award divided by the exchange ratio. Following the effective time of the merger, each stock option will continue to be governed by the same terms and conditions, including any vesting requirements, as were applicable prior to the merger.

At the effective time of the merger, the outstanding Thomas Weisel Partners warrant will be converted into the right to purchase and receive a number of shares of Stifel common stock equal to the number of shares of Thomas Weisel Partners common stock subject to the warrant multiplied by the exchange ratio, and the exercise price of the warrant will equal the exercise price per share of Thomas Weisel Partners common stock of such warrant divided by the exchange ratio.

Risk Factors

(see page 43)

By voting in favor of the proposal to approve and adopt the merger agreement and approve the merger, you will be choosing to invest in Stifel common stock. An investment in Stifel common stock involves a high degree of risk. In addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, you should carefully consider the factors discussed under the caption entitled Risk Factors beginning on page 43 in deciding whether to vote in favor of the proposal to approve and adopt the merger agreement and approve the merger.

This proxy statement/prospectus (including the documents incorporated by reference into this proxy statement/prospectus) contains forward-looking statements that involve risks, uncertainties and assumptions, such as statements of Stifel s, Thomas Weisel Partners and the combined company s plans, objectives, expectations and intentions. When used in this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus, the words as may , might , should , expects , anticipates , believes , estimate intends , plans , seeks , will , should , would , projects , predicts , continues and similar expressions or the negatives of these terms an comparable terminology are intended to identify certain of these forward-looking statements. Because these forward-looking statements involve risks, uncertainties and assumptions, including those discussed under the caption entitled Risk Factors , the actual results of Stifel, Thomas Weisel Partners and the combined company could differ materially from those expressed or implied by the forward-looking statements in this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus.

The Annual Meeting; Thomas Weisel Partners Stockholders Entitled to Vote; Required Vote

(see page 61)

The annual meeting of Thomas Weisel Partners stockholders will be held on June 22, 2010 at 8:00 a.m., local time, at the offices of Thomas Weisel Partners Group, Inc., One Montgomery Street, 35th floor, San Francisco, California. At the annual meeting, Thomas Weisel Partners stockholders will be asked to:

- consider and vote on a proposal to approve and adopt the merger agreement and approve the merger contemplated by the merger agreement;
- approve the adjournment of the Annual Meeting, if necessary, for any purpose, including to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement and approve the merger at the time of the Annual Meeting;
- elect eight directors, each to serve until the earliest of Thomas Weisel Partners 2011 annual meeting of stockholders, his or her removal or resignation or, if the merger is completed, the effective time of the merger;

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ratify the appointment of Deloitte & Touche LLP as Thomas Weisel Partners independent registered public accounting firm for 2010; and

conduct any other business that properly comes before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

The close of business on April 30, 2010 was the record date for the Annual Meeting. Only Thomas Weisel Partners stockholders on the record date are entitled to notice of and to vote at the Annual Meeting. Each share of Thomas Weisel Partners common stock will be entitled to one vote on each matter to be acted upon at the Annual Meeting. The share of Thomas Weisel Partners special voting preferred stock held by the trustee is entitled to cast a number of votes equal to the number of the outstanding exchangeable shares, excluding shares held by Thomas Weisel Partners or any person directly or indirectly controlled by or under common control with Thomas Weisel Partners, on each matter to be acted upon at the Annual Meeting. On the record date, there were 26,748,099 shares of Thomas Weisel Partners common stock outstanding and one share of Thomas Weisel Partners special voting preferred stock held by the trustee (representing 6,183,121 exchangeable shares entitled to give voting instructions and therefore entitled to 6,183,121 votes). The holders of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock will vote together as a single class at the Annual Meeting.

The approval of holders of a majority of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock (representing 6,183,121 exchangeable shares entitled to give voting instructions and therefore entitled to 6,183,121 votes), voting together as a single class, is required to approve and adopt the merger agreement and approve the merger.

Thomas Weisel, Chairman and Chief Executive Officer, Lionel F. Conacher, former President and Chief Operating Officer, Thomas Carbeau, Head of Institutional Sales, Richard Gay, Head of Research, William McLeod, Co-Head of Investment Banking, Brad Raymond, Co-Head of Investment Banking, Paul Slivon, Chairman of Wealth Management, Anthony Stais, Head of Trading, and Shaugn Stanley, Chief Administrative Officer have agreed to vote their shares of Thomas Weisel Partners common stock and give voting instructions with respect to their exchangeable shares, representing in the aggregate, as of the record date, approximately 15.8% of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock, FOR the proposal to approve and adopt the merger agreement and approve the merger.

Recommendation of the Thomas Weisel Partners Board of Directors and Thomas Weisel Partners Reasons for the Merger

(See page 70)

After careful consideration of the numerous factors described in the section entitled Proposal One: The Merger Thomas Weisel Partners Reasons for the Merger; Recommendation of the Thomas Weisel Partners Board of Directors beginning on page 70 of this proxy statement/prospectus, the Thomas Weisel Partners board of directors unanimously determined that the merger and the merger agreement are advisable, and are fair to, and in the best interests of, Thomas Weisel Partners and its stockholders. Accordingly, the Thomas Weisel Partners board of directors recommends that you vote **FOR** the proposal to approve and adopt the merger agreement and approve the merger.

In addition, the Thomas Weisel Partners board of directors recommends that you vote **FOR** the other proposals described in this proxy statement/prospectus.

Opinion of Thomas Weisel Partners Financial Advisor

(See page 73)

On April 25, 2010, Houlihan Lokey Howard & Zukin Financial Advisors, Inc., which we refer to as Houlihan Lokey, rendered its oral opinion to the board of directors of Thomas Weisel Partners (which was subsequently confirmed in writing by delivery of Houlihan Lokey s written opinion dated the same date) to the effect that, as of April 25, 2010, the exchange ratio provided for in the proposed merger was fair to the holders of Shares from a financial point of view.

Houlihan Lokey s opinion was directed to the board of directors of Thomas Weisel Partners and addressed only the fairness to the holders of Shares, from a financial point of view, of the exchange ratio provided for in the proposed merger, and did not address any other aspect or implication of the proposed merger. The summary of Houlihan Lokey s opinion in this proxy statement prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex B to this proxy statement prospectus and which sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion. However, neither Houlihan Lokey s written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement prospectus are intended to be, and do not constitute advice or a recommendation to any holder of Shares as to how such holder should act or vote with respect to any matter relating to the proposed merger. See The Merger Opinion of Thomas Weisel Partners Financial Advisor beginning on page 73.

No Stifel Stockholder Approval

(See page 83)

Stifel stockholders are not required to approve and adopt the merger agreement or approve the merger or the issuance of shares of Stifel common stock or the share of Stifel special voting preferred stock as part of the merger consideration.

Interests of Certain Persons in the Merger

(See page 81)

When considering the recommendation by the Thomas Weisel Partners board of directors to vote FOR the proposal to approve and adopt the merger agreement and approve the merger, you should be aware that some directors and executive officers of Thomas Weisel Partners have interests in the merger that may be different from your interests. Stifel currently anticipates that the senior management of Thomas Weisel Partners, including several of its executive officers, will be executive officers and/or key employees of Stifel following the merger. Some directors, officers and employees of Thomas Weisel Partners who hold stock options and/or restricted stock units pursuant to existing plans may receive certain benefits following the closing of the merger, including accelerated vesting of those stock options and/or restricted stock units. Some directors, executive officers and employees of Thomas Weisel Partners who are parties to stockholders agreements with Thomas Weisel Partners are also entitled to early release of certain transfer restrictions with respect to the Thomas Weisel Partners common stock and the exchangeable shares held by them upon completion of the merger. Thomas Weisel Partners directors and officers will also receive indemnification from Stifel, and Stifel has agreed to provide and pay for liability insurance benefits for members of the Thomas Weisel Partners board of directors. The Thomas Weisel Partners board of directors was aware of these interests and considered them in approving the merger agreement and the merger.

Security Ownership by Directors and Executive Officers of Thomas Weisel Partners

(See page 148)

As of the record date for the Annual Meeting, the directors and executive officers of Thomas Weisel Partners and their affiliates, as a group, beneficially owned approximately 16.6% of the outstanding voting power of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock. The approval of the holders of a majority of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock, voting together as a single class, is required to approve and adopt the merger agreement and approve the merger.

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Ownership of Stifel Following the Merger

(See page 83)

If the merger is completed, holders of Thomas Weisel Partners common stock and exchangeable shares collectively will receive approximately 4.491 million shares of Stifel common stock in the merger or upon exchange of their exchangeable shares based on the number of shares of Thomas Weisel Partners common stock outstanding as of the record date.

Based on the number of shares of Stifel common stock and Thomas Weisel Partners common stock outstanding as of April 30, 2010, current Thomas Weisel Partners stockholders and exchangeable shareholders are expected to own approximately 12.6% of the outstanding common stock of Stifel (including Stifel common stock issuable in respect of any exchangeable shares) following the merger.

Listing of Stifel Common Stock and Delisting and Deregistration of Thomas Weisel Partners Common Stock

(See page 87)

Application will be made to have the shares of Stifel common stock issued in the merger approved for listing on the NYSE and the Chicago Stock Exchange. If the merger is completed, Thomas Weisel Partners common stock will no longer be listed on the NASDAQ Global Market and will be deregistered under the Exchange Act, and Thomas Weisel Partners will no longer file periodic reports with the SEC.

Regulatory Approvals

(See page 85)

Stifel and Thomas Weisel Partners have both agreed to use their reasonable best efforts to apply for and obtain all regulatory approvals necessary or advisable in connection with the transactions contemplated by the merger agreement. These regulatory approvals include: approvals from the Financial Industry Regulatory Authority, the Investment Industry Regulatory Organization of Canada, the United Kingdom Financial Services Authority, certain Canadian provincial securities regulatory authorities, the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange and the Chicago Stock Exchange, among others.

The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the HSR Act, prohibits Stifel and Thomas Weisel Partners from completing the merger until Stifel and Thomas Weisel Partners have furnished certain information and materials to the Antitrust Division of the Department of Justice and the Federal Trade Commission and the required waiting period has expired or been terminated. Stifel and Thomas Weisel Partners intend to each file the required notification and report forms as soon as practicable after the date of this proxy statement/prospectus.

Appraisal Rights

(See page 86)

Holders of Thomas Weisel Partners common stock are not entitled to appraisal rights under the Delaware General Corporation Law in connection with the merger. The holder of the share of Thomas Weisel Partners special voting preferred stock may have appraisal rights under certain conditions and should refer to Annex D for a summary of appraisal rights procedures relating to Thomas Weisel Partners special voting preferred stock.

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Conditions To Complete The Merger

(See page 99)

Each of Stifel s, Merger Sub s and Thomas Weisel Partners obligation to effect the merger is subject to the satisfaction (or, to the extent permissible, waiver) of a number of conditions, including:

- approval and adoption of the merger agreement and approval of the merger by Thomas Weisel Partners stockholders in accordance with Delaware law;
- the absence of any applicable law that prohibits, makes the merger illegal or enjoins the consummation of the merger;
- such authorizations, consents, orders, declarations or approvals of, or filings with, or terminations or expirations of waiting periods imposed by, governmental authorities as set forth in the disclosure schedules to the merger agreement having been obtained, made or occurred to the extent that any failure to obtain such authorizations, consents, orders, declarations or approvals of, or to make filings with, or to have terminations or expirations of waiting periods occur that would have or would reasonably be likely to have, individually or in the aggregate, a material adverse effect, as defined in the merger agreement, on Thomas Weisel Partners or Stifel;
- the accuracy of representations and warranties of Thomas Weisel Partners or Stifel, as applicable, contained in the merger agreement without regard to any materiality qualification, except to the extent that the failure of any such representation and warranty, individually or in the aggregate does not have, and would not reasonably be likely to have, a material adverse effect on Thomas Weisel Partners or Stifel, as applicable; and
- subsequent to the date of the merger agreement, there not having occurred any event, occurrence, revelation or development of a state of circumstances or facts that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on Thomas Weisel Partners or Stifel, as applicable.

Expected Timing of the Merger

(See page 3)

Stifel and Thomas Weisel Partners are working toward completing the merger as quickly as possible. The merger is expected to close on or around June 30, 2010, subject to receipt of Thomas Weisel Partners stockholder approval, governmental and regulatory approvals and the satisfaction of other usual and customary closing conditions. However, no assurance can be given as to when, or if, the merger will occur.

Termination

(See page 101)

Stifel and Thomas Weisel Partners may mutually agree to terminate the merger agreement before completing the merger, even after Thomas Weisel Partners stockholder approval. In addition, either of Stifel or Thomas Weisel Partners may terminate the merger agreement under certain circumstances, including:

- the merger has not been completed by December 31, 2010, which is referred to as the termination date (except that this right is not available to any party whose breach of the merger agreement resulted in failure of the merger to be completed);

there is any applicable law that (A) makes consummation of the merger illegal or otherwise prohibited or (B) enjoins Thomas Weisel Partners or Stifel from consummating the merger and such enjoin has become final and nonappealable; or

at the Thomas Weisel Partners stockholder meeting (including any adjournment or postponement thereof), approval and adoption of the merger agreement and approval of the merger by the Thomas Weisel Partners stockholders is not obtained.

Stifel may also terminate the merger agreement if:

- the board of directors of Thomas Weisel Partners has changed or withdrawn its recommendation or the board of directors fails to publicly confirm the recommendation of the board of directors of Thomas Weisel Partners to proceed with the merger within 5 business days of a written request by Stifel that it do so; or

- Thomas Weisel Partners breaches its representations and warranties, covenants or agreements under the merger agreement such that the applicable closing conditions will not have been satisfied (and such condition is incapable of being satisfied prior to the termination date).

Thomas Weisel Partners may terminate the merger agreement if:

- the board of directors of Thomas Weisel Partners authorizes Thomas Weisel Partners, subject to complying with the terms of the merger agreement, to enter into a written agreement concerning a superior proposal, as defined in the merger agreement, but only if Thomas Weisel Partners pays any amounts due as described under The Merger Agreement Expenses and Fees Termination Fees Payable by Thomas Weisel Partners and prior to any such termination:

  - Thomas Weisel Partners notifies Stifel in writing of its intention to terminate the merger agreement and to enter into a binding written agreement concerning an acquisition proposal that constitutes a superior proposal, attaching the most current version of such agreement (or a description of all material terms and conditions thereof), and

  - Stifel does not make, within four days of receipt of such written notification (subject to certain extensions), an offer that is at least as favorable to the stockholders of Thomas Weisel Partners as such superior proposal; or

- Stifel or Merger Sub breaches its representations and warranties, covenants or agreements such that certain closing conditions will not have been satisfied (and such conditions are incapable of being satisfied prior to the termination date).

Termination Fees

(See page 102)

Termination Fees Payable by Thomas Weisel Partners

Under the terms of the merger agreement, Thomas Weisel Partners would be obligated to pay Stifel a $10,000,000 cash termination fee if:

- the board of directors of Thomas Weisel Partners authorizes Thomas Weisel Partners, subject to complying with the terms of the merger agreement, to enter into a written agreement concerning a superior proposal;

- an adverse recommendation change occurs or the board of directors of Thomas Weisel Partners fails to publicly confirm the recommendation by the board of directors of Thomas Weisel Partners to proceed with the merger within five business days of a written request by Stifel that it do so, but only if such adverse recommendation change was not solely the result of the occurrence of a material adverse effect with respect to Stifel; or the merger is not completed before the termination date (if stockholder approval is not obtained at the Thomas Weisel Partners stockholder meeting (including any adjournment)) but only if, both (A) prior to Thomas Weisel Partners stockholder meeting, or the date of termination, as the case may be, an acquisition proposal has been made, and (B) within 12 months following the date of such termination: (1) Thomas Weisel Partners merges with or into, or is acquired by, the person making such acquisition proposal; (2) such person acquires more than 50% of the total assets of Thomas Weisel Partners and its subsidiaries, taken as a whole; or (3) such person acquires more than 50% of the outstanding shares of capital stock of Thomas Weisel Partners (or in the case of (1) through (3) above, if Thomas Weisel Partners has entered into any contract or agreement providing for such action, in which case such cash termination fee shall be paid on the later date on which such action is completed).

Material United States Federal Income Tax Consequences

(See page 146)

The merger is intended to constitute a reorganization for United States federal income tax purposes. If so treated, the exchange of your shares of Thomas Weisel Partners common stock for shares of Stifel common stock generally will not cause you to recognize gain or loss for U.S. federal income tax purposes. However, you will recognize income or gain with respect to cash received instead of any fractional shares of Stifel common stock. It is a condition to the merger that Stifel and Thomas Weisel Partners receive legal opinions as to the United States federal income tax treatment of the merger with respect to our companies and our stockholders. These opinions will not bind the Internal Revenue Service, which could take a different view.

The consequences of the merger to any particular stockholder will depend on that stockholder s particular facts and circumstances. Accordingly, you are urged to consult your own tax advisor to determine your own tax consequences from the merger.

Holders of exchangeable shares should refer to Annex C for a summary of material Canadian federal income tax considerations.

Accounting Treatment

(See page 85)

In accordance with accounting principles generally accepted in the United States, Stifel will account for the merger using the acquisition method of accounting for business combinations.

Comparison of Rights of Thomas Weisel Partners Stockholders and Stifel Stockholders

(See page 104)

Thomas Weisel Partners certificate of incorporation and bylaws and Delaware corporate law govern the rights of Thomas Weisel Partners stockholders. Stifel s certificate of incorporation and bylaws and Delaware corporate law will govern your rights as a stockholder of Stifel following the merger. Your rights under Stifel s certificate of incorporation and bylaws will differ in some respects from your rights under Thomas Weisel Partners certificate of incorporation and bylaws.

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STIFEL FINANCIAL CORP. SELECTED HISTORICAL FINANCIAL INFORMATION

The following Stifel selected consolidated financial data (presented in thousands, except per share amounts) is provided to aid your analysis of the financial aspects of the merger. The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Stifel or the combined company. When you read this historical consolidated financial data, it is important that you also read Stifel s historical consolidated financial statements and related notes, as well as the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations , each included in Stifel s Annual Report on Form 10-K for the year ended December 31, 2009, which is incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information on page 153.

The table below presents selected historical consolidated financial data of Stifel. The consolidated financial data for the five years ended December 31, 2009 have been derived from audited consolidated financial statements of Stifel incorporated by reference into this proxy statement/prospectus.

The consolidated financial data of Stifel as of March 31, 2010 and for the three month periods ended March 31, 2010 and 2009 have been derived from Stifel s historical unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, which is incorporated by reference into this proxy statement/prospectus. In the opinion of Stifel s management, the unaudited interim consolidated financial statements of Stifel have been prepared on the same basis as its audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the financial position of Stifel as of March 31, 2010 and its results of operations for the three month periods ended March 31, 2010 and 2009. Results of interim periods are not necessarily indicative of the results expected for a full year or for future periods.

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	Three Months Ended March 31, 2010	2009	Year Ended December 31, 2009	2008	2007	2006	2005(1)
	(in thousands, except share and per share amounts and as otherwise indicated)						
Revenues:							
Principal transactions	$ 117,420	$ 97,278	$ 458,188	$ 293,285	$ 139,248	$ 86,365	$ 44,110
Commissions	105,035	74,610	345,520	341,090	315,514	199,056	107,976
Investment banking	34,221	15,504	125,807	83,710	169,413	82,856	55,893
Asset management and service fees	38,877	24,933	112,706	119,926	101,610	57,713	43,476
Interest	14,647	9,892	46,860	50,148	59,071	35,804	18,022
Other income	4,171	115	13,789	688	8,234	9,594	533
Total revenues	314,371	222,332	1,102,870	888,847	793,090	471,388	270,010
Interest expense	2,341	2,351	12,234	18,510	30,025	19,581	6,275
Net revenues	312,030	219,981	1,090,636	870,337	763,065	451,807	263,735
Non-interest expenses:							
Compensation and benefits	206,242	147,840	718,115	582,778	543,021	329,703	174,765
Occupancy and equipment rental	24,858	17,867	89,741	67,984	57,796	30,751	22,625
Communications and office supplies	14,418	11,845	54,745	45,621	42,355	26,666	12,087
Commissions and floor brokerage	5,744	4,360	23,416	13,287	9,921	6,388	4,134
Other operating expenses	21,203	15,914	84,205	68,898	56,126	31,930	17,402
Total non-interest expenses	272,465	197,826	970,222	778,568	709,219	425,438	231,013
Income before income tax expense	39,565	22,155	120,414	91,769	53,846	26,369	32,722
Provision for income taxes	15,825	8,978	44,616	36,267	21,676	10,938	13,078
Net income	$ 23,740	$ 13,177	$ 75,798	$ 55,502	$ 32,170	$ 15,431	$ 19,644
Earnings per common share:							
Basic	$ 0.77	$ 0.49	$ 2.68	$ 2.31	$ 1.48	$ 0.89	$ 1.33
Diluted	$ 0.68	$ 0.44	$ 2.35	$ 1.98	$ 1.25	$ 0.74	$ 1.04
Weighted average number of common shares outstanding:							
Basic	30,720	26,772	28,297	24,069	21,754	17,269	14,742
Diluted	35,025	30,198	32,294	28,073	25,723	20,863	18,879
Financial Condition							
Total assets	$ 3,227,383	$ 2,014,698	$ 3,167,356	$ 1,558,145	$ 1,499,440	$ 1,084,774	$ 842,001
Long-term obligations	$ 92,172	$ 95,532	$ 101,979	$ 106,860	$ 124,242	$ 98,379	$ 97,182
Shareholders equity	$ 912,404	$ 630,802	$ 873,446	$ 593,185	$ 424,637	$ 220,265	$ 155,093

(1) Stifel adopted Statement of Financial Accounting Standards No. 123R, Share Based Payment, as codified in ASC Topic 718, at the beginning of fiscal 2006. The stock-based compensation charges recorded in Compensation and benefits as a result of the adoption were not presented for the year ended December 31, 2005.

The compensation committee of Stifel s Board of Directors is considering aligning its 2001 Equity Incentive Stock Plan with the provisions of Thomas Weisel Partners Equity Plan, as discussed under Thomas Weisel Partners Group, Inc. Selected Historical Financial Information table below, whereby any continued employment service requirements for vesting, if and so long as (but only for so long as) the holder of such restricted stock unit refrains from engaging in a competitive activity or a soliciting activity prior to the relevant vesting date or dates of such awards. Stifel believes that this action would result in the acceleration of the non-cash compensation expense associated with these equity awards resulting in an after tax charge of approximately $85-96 million with a corresponding increase to additional paid in capital.

THOMAS WEISEL PARTNERS GROUP, INC. SELECTED HISTORICAL FINANCIAL INFORMATION

The following Thomas Weisel Partners selected consolidated financial data (presented in thousands, except share and per share amounts and Selected Data and Ratios) is provided to aid your analysis of the financial aspects of the merger. The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Thomas Weisel Partners or the combined company. When you read this historical consolidated financial data, it is important that you also read Thomas Weisel Partners historical consolidated financial statements and related notes, as well as the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations , each included in Thomas Weisel Partners Annual Report on Form 10-K for the year ended December 31, 2009 and in Thomas Weisel Partners Quarterly Report on Form 10-Q for the three months ended March 31, 2010, which are incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information on page 151.

The table below presents selected historical consolidated financial data of Thomas Weisel Partners for the three months ended March 31, 2010 and 2009 and for the five years ended December 31, 2009. The consolidated financial data for the three months ended March 31, 2010 have been derived from unaudited consolidated financial statements of Thomas Weisel Partners incorporated by reference into this proxy statement/prospectus. The consolidated financial data for the five years ended December 31, 2009 have been derived from audited consolidated financial statements of Thomas Weisel Partners incorporated by reference into this proxy statement/prospectus. In January 2008, Thomas Weisel Partners acquired Westwind Capital Corporation, or Westwind. The results of Westwind have been included in Thomas Weisel Partners consolidated financial statements since January 2, 2008.

	As of or For the Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	As of or For the Year Ended December 31, 2009	2008	2007	2006	2005
	(dollars in thousands, except share and per share amounts and as otherwise indicated)						
Statement of Operations							
Revenues:							
Investment banking	$ 27,171	$ 11,026	$ 71,165	$ 63,305	$ 127,228	$ 124,136	$ 75,300
Brokerage	21,511	29,456	103,170	131,939	120,187	123,809	138,497
Asset management	3,952	2,725	21,464	(7,120)	33,414	25,752	36,693
Interest income	127	375	913	7,341	17,718	13,525	5,510
Other revenue					920		
Total revenues	52,761	43,582	196,712	195,465	299,467	287,222	256,000
Interest expense	(605)	(483)	(1,656)	(5,938)	(10,418)	(10,905)	(5,114)
Net revenues	52,156	43,099	195,056	189,527	289,049	276,317	250,886
Expenses excluding interest:							
Compensation and benefits(1)	31,400	30,678	133,355	147,186	187,902	152,195	154,163
Non-compensation expenses	27,119	35,434	125,550	237,893	103,920	97,997	101,594
Total expenses excluding interest	58,519	66,112	258,905	385,079	291,822	250,192	255,757
Income (loss) before taxes	(6,363)	(23,013)	(63,849)	(195,552)	(2,773)	26,125	(4,871)
Provision for taxes (tax benefit)	(1,090)	840	(171)	7,700	(2,793)	(8,796)	2,187
Net income (loss)	(5,273)	(23,853)	(63,678)	(203,252)	20	34,921	(7,058)
Less: Preferred dividends and accretion						(1,608)	(15,654)

Net income (loss) attributable to common shareholders and to Class A, B and C shareholders	$ (5,273)	$ (23,853)	$ (63,678)	$ (203,252)	$ 20	$ 33,313	$ (22,712)
Net income (loss) per share:							
Basic net income (loss) per share	$ (0.16)	$ (0.74)	$ (1.96)	$ (6.29)	$	$ 1.39	
Diluted net income (loss) per share	$ (0.16)	$ (0.74)	$ (1.96)	$ (6.29)	$	$ 1.34	

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	As of or For the Three Months Ended March 31, 2010	As of or For the Year Ended December 31, 2009	2008	2007	2006	2005
	(dollars in thousands, except share and per share amounts and as otherwise indicated)					
Statement of Financial Condition						
Total assets	$ 216,408	$ 253,777	$ 281,650	$ 586,680	$ 483,189	$ 312,823
Total liabilities	88,624	123,940	109,749	313,053	216,135	199,428
Total redeemable convertible preference stock						223,792
Shareholders and members equity (deficit)	127,784	129,837	171,901	273,627	267,054	(110,397)
Debt, including capital lease obligations	22,874	22,813	22,253	27,420	32,499	19,539
Selected Data and Ratios						
Cash dividends declared per common share	$	$	$	$	$	$
Investment banking:						
Number of transactions	34	115	82	83	87	63
Revenue per transaction (in millions)	$ 0.80	$ 0.62	$ 0.77	$ 1.53	$ 1.43	$ 1.15
Brokerage:						
Average daily brokerage revenue (in millions)	$ .35	$ 0.41	$ 0.52	$ 0.48	$ 0.49	$ 0.55
Equity research:						
Publishing analysts	32	34	37	29	30	39
Companies covered	486	500	500	480	485	565
Number of companies covered per publishing analyst	15	15	14	17	16	14
Other:						
Average number of employees	461	488	641	632	565	548

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	For the Year Ended December 31, 2006
Pro forma, as adjusted (unaudited)(2)	
Pro forma net revenues(3)	$ 276,179
Pro forma income before tax(3)	25,987
Pro forma tax benefit(4)	(7,363)
Pro forma net income(3)(4)	33,350
Pro forma preferred dividends and accretion	
Pro forma net income attributable to common shareholders and to Class A, B and C shareholders(3)(4)	33,350
Pro forma earnings per share:	
Pro forma basic earnings per share	$ 1.39
Pro forma diluted earnings per share	$ 1.34
Pro forma weighted average shares used in the computation of per share data:	
Pro forma basic weighted average shares outstanding	23,980
Pro forma diluted weighted average shares outstanding	24,945

(1) On April 22, 2010, the board of directors of Thomas Weisel Partners approved the waiver of certain requirements for vesting of restricted stock units held by its current employees, including its executive officers (other than those employees who had given notice of an intention to terminate their employment prior to April 23, 2010). The waiver was effective as of April 23, 2010 and eliminated any continued employment service requirements for vesting under Section 11(d)(i) of Thomas Weisel Partners Third Amended and Restated Equity Incentive Plan, if and so long as (but only for so long as) the holder of such restricted stock unit refrains from engaging in a competitive activity or a soliciting activity prior to the relevant vesting date or dates of such awards. As a result of the waiver of any continued employment service requirements for vesting, Thomas Weisel Partners immediately recognized the remaining non-cash share based compensation expense for these grants of restricted stock unit awards that were subject only to the passage of time. Thomas Weisel Partners estimated the non-cash compensation share based compensation charge to be approximately $55 to $60 million.

(2) The pro forma, as adjusted amounts depict results Thomas Weisel Partners estimates it would have had during the year ended December 31, 2006 if its reorganization transactions had taken place on January 1, 2006, as these amounts change tax expense to amounts that Thomas Weisel Partners estimates it would have paid if it were a corporation beginning January 1, 2006. Additionally, these amounts decrease net revenues by the amount of interest expense on notes payable issued to preferred shareholders upon consummation of the reorganization transactions. The amounts for the year ended December 31, 2006 reflect pro forma results of operations as if these transactions had occurred on January 1, 2006.

(3) Reflects decrease in net revenues and net income before tax of $0.1 million for the estimated interest expense for the notes issued to Class D and D-1 preferred shareholders.

(4) On a pro forma basis, the tax benefit for the year ended December 31, 2006 was decreased by the estimated additional tax expense of $1.5 million as if Thomas Weisel Partners were a corporation beginning January 1, 2006. The additional tax expense is attributable to Thomas Weisel Partners applicable tax rate, a combination of Federal, state and local income tax rates, of 42% applied to Thomas Weisel Partners pro forma net income for the period beginning January 1, 2006 through February 6, 2006.

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COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA

The following table sets forth, for the three months ended March 31, 2010 and the year ended December 31, 2009, selected per share information for Stifel common stock on a historical and pro forma combined basis and for Thomas Weisel Partners common stock on a historical and pro forma equivalent basis. Except for the historical information as of and for the year ended December 31, 2009, the information provided in the table below is unaudited. The pro forma information provided in the table below is for informational purposes only and is not necessarily an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. You should read the data provided below with the historical consolidated financial statements and related notes of Stifel and Thomas Weisel Partners contained in their respective Annual Reports on Form 10-K for the year ended December 31, 2009 and Quarterly Reports on Form 10-Q for the quarter ended March 31, 2010, all of which are incorporated by reference into this proxy statement/prospectus. For further information, please see the section titled Where To Find More Information beginning on page 153. You should also read the section titled Unaudited Pro Forma Condensed Combined Financial Information beginning on page 29.

The Thomas Weisel Partners pro forma equivalent per share amounts are calculated by multiplying each Stifel pro forma combined per share amount by the exchange ratio.

	Three Months Ended March 31, 2010	Year Ended December 31, 2009
Stifel historical data:		
Net income per basic share	$ 0.77	$ 2.68
Net income per diluted share	0.68	2.35
Net book value per share	29.50	28.86
Thomas Weisel Partners historical data:		
Net loss per basic share	$ (0.16)	$ (1.96)
Net loss per diluted share	(0.16)	(1.96)
Net book value per share	3.89	4.10
Pro forma combined data:		
Net income per basic share	$ 0.58	$ 1.11
Net income per diluted share	0.58	1.11
Net book value per share	34.66	34.55
Pro forma combined equivalent data:		
Net income per basic share	$ 0.08	$ 0.16
Net income per diluted share	0.08	0.16
Net book value per share	4.73	4.71

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COMPARATIVE PER SHARE MARKET PRICE DATA

Stifel common stock trades on the NYSE under the symbol SF. Thomas Weisel Partners common stock trades on the NASDAQ Global Market under the symbol TWPG.

The following table shows, for the calendar quarters indicated, the high and low sale prices per share, adjusted for stock splits and the like, of Thomas Weisel Partners common stock and Stifel common stock as reported on the NASDAQ Global Market and the NYSE, respectively.

Calendar Quarters	Thomas Weisel Partners common stock High	Thomas Weisel Partners common stock Low	Stifel common stock High	Stifel common stock Low
2008:				
First Quarter	$ 13.91	$ 6.35	$ 35.02	$ 24.67
Second Quarter	7.43	5.01	39.71	28.12
Third Quarter	9.33	3.90	60.61	31.56
Fourth Quarter	8.99	2.65	50.00	30.42
2009:				
First Quarter	5.00	2.36	48.41	29.13
Second Quarter	6.07	3.47	52.33	41.00
Third Quarter	6.16	3.68	57.23	43.43
Fourth Quarter	6.36	3.56	59.54	50.76
2010:				
First Quarter	4.60	3.52	59.63	49.60
Second Quarter (through May 19, 2010)	8.06	3.71	59.51	51.59

The following table sets forth the high, low and closing prices for Stifel common stock as reported on the NYSE and Thomas Weisel Partners common stock as reported on the NASDAQ Global Market, on April 23, 2010, the last trading day before Stifel and Thomas Weisel Partners announced the merger, and May 19, 2010, the last full trading day for which closing prices were available as of the date of this proxy statement/prospectus. The table also includes the value of Thomas Weisel Partners common stock on an equivalent price per share basis, as determined by reference to the value of merger consideration to be received in respect of each share of Thomas Weisel Partners common stock in the merger. These equivalent prices per share reflect the fluctuating value of the Stifel common stock that Thomas Weisel Partners stockholders would receive in exchange for each share of Thomas Weisel Partners common stock if the merger was completed on either of these dates, applying the exchange ratio of 0.1364 shares of Stifel common stock for each share of Thomas Weisel Partners common stock.

	Stifel Common Stock			Thomas Weisel Partners Common Stock			Equivalent Value of Thomas Weisel Partners Common Stock		
	High	Low	Close	High	Low	Close	High	Low	Close
April 23, 2010	$ 56.07	$ 55.36	$ 55.74	$ 4.36	$ 4.10	$ 4.36	$ 7.65	$ 7.55	$ 7.60
May 19, 2010	$ 55.09	$ 53.25	$ 53.91	$ 7.46	$ 7.20	$ 7.31	$ 7.52	$ 7.27	$ 7.36

The above table shows only historical comparisons. These comparisons may not provide meaningful information to Thomas Weisel Partners stockholders in determining whether to adopt the merger agreement. Thomas Weisel Partners stockholders are urged to obtain current market quotations for Stifel and Thomas Weisel Partners common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus, when considering whether to adopt the merger agreement. See Where You Can Find Additional Information beginning on page 151 of this proxy statement/prospectus.

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As of the record date, there were approximately 124 holders of record of Thomas Weisel Partners common stock and one stockholder of record of Thomas Weisel Partners special voting preferred stock. In addition, as of the record date, there were 50 holders of record of exchangeable shares of TWP Acquisition Company (Canada), Inc. These numbers do not include stockholders for whom shares were held in nominee or street name.

Dividend Data

Thomas Weisel Partners has never declared or paid a cash dividend on its common stock. Stifel has not declared or paid a cash dividend on its common stock since 2002. Stifel and Thomas Weisel Partners currently intend to retain any future earnings to fund the growth and development of their businesses and do not anticipate paying any cash dividends in the foreseeable future.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial statements are based on the historical financial statements of Stifel and Thomas Weisel Partners, combined and adjusted to give effect to the merger. The unaudited pro forma condensed combined statement of financial condition assumes that the merger took place on March 31, 2010 and combines Stifel s March 31, 2010 unaudited consolidated statement of financial condition with Thomas Weisel Partners March 31, 2010 unaudited consolidated statement of financial condition.

The unaudited pro forma condensed combined statements of operations for the fiscal year ended December 31, 2009 and the three months ended March 31, 2010 assume that the merger took place on January 1, 2009. Stifel s audited consolidated statement of operations for the fiscal year ended December 31, 2009 has been combined with Thomas Weisel Partners audited consolidated statement of operations for the fiscal year ended December 31, 2009 and Stifel s unaudited consolidated statement of operations for the three months ended March 31, 2010 has been combined with Thomas Weisel Partners unaudited consolidated statement of operations for the three months ended March 31, 2010.

The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the merger, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information was based on and should be read in conjunction with the following historical consolidated financial statements and accompanying notes of Stifel and Thomas Weisel Partners for the applicable periods, which are incorporated by reference in this proxy statement/prospectus:

- Separate historical financial statements of Stifel as of and for the year ended December 31, 2009 and the related notes included in Stifel s Annual Report on Form 10-K for the year ended December 31, 2009;

- Separate historical financial statements of Thomas Weisel Partners as of and for the year ended December 31, 2009 and the related notes included in Thomas Weisel Partners Annual Report on Form 10-K for the year ended December 31, 2009;

- Separate unaudited historical financial statements of Stifel as of and for the three months ended March 31, 2010 and the related notes included in Stifel s Quarterly Report on Form 10-Q for the period ended March 31, 2010; and

- Separate unaudited historical financial statements of Thomas Weisel Partners as of and for the three months ended March 31, 2010 and the related notes included in Thomas Weisel Partners Quarterly Report on Form 10-Q for the period ended March 31, 2010.

The unaudited pro forma condensed combined financial information is presented for informational purposes only. The unaudited pro forma information is not necessarily indicative of what the combined financial position or results of operations actually would have been had the merger been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the combined financial position or operating results for any future period.

The pro forma condensed combined financial statements do not reflect any cost savings that Stifel expects to achieve from operating efficiencies or synergies, or any expenditure related to restructuring actions to achieve cost savings. The effects of both cost savings and expenditures for restructuring could materially impact these pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting for business combinations under accounting principles generally accepted in the United

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States, or GAAP standards. Stifel is the acquirer for accounting purposes. The acquisition method of accounting requires management to obtain independent valuations that have yet to commence or progress to a point where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments are preliminary and have been made by Stifel management solely for the purpose of providing unaudited pro forma condensed combined financial information. Differences between the preliminary estimates made during the preparation of the unaudited pro forma condensed combined financial statements and the final acquisition accounting could be material.

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STIFEL FINANCIAL CORP.

Pro Forma Condensed Combined Statement of Financial Condition

(Unaudited)

March 31, 2010

(in thousands)	Stifel	Thomas Weisel Partners	Pro forma Adjustments	Pro Forma Combined
Assets				
Cash and cash equivalents	$ 145,701	$ 61,921	$ (23,000)**D**	$ 184,622
Cash segregated for regulatory purposes	19			19
Receivables:				
Brokerage clients, net	412,726			412,726
Broker, dealers and clearing organizations	254,129	22,443		276,572
Securities purchased under agreements to resell	136,101			136,101
Trading securities owned, at fair value	586,149	18,022		604,171
Available-for-sale securities, at fair value	549,121			549,121
Held-to-maturity securities, at amortized cost	7,574			7,574
Loans held for sale	72,179			72,179
Bank loans, net	342,883			342,883
Bank foreclosed assets held for sale, net of estimated cost to sell	1,998			1,998
Investments	122,853	55,229		178,082
Fixed assets, net	62,985	14,136		77,121
Goodwill	166,725		112,995**A**	279,720
Intangible assets, net	24,275	13,836	18,372**B**	56,483
Loans and advances to financial advisors and other employees, net	181,521	1,566		183,087
Deferred tax assets, net	51,100	(4,746)	57,636**C**	103,990
Other assets	109,344	29,255		138,599
Total Assets	$ 3,227,383	$ 211,662	$ 166,003	$ 3,605,048

See the accompanying notes to the pro forma condensed combined financial statements which are an integral part of these statements. The pro forma adjustments are explained in Note 6 Adjustments to Unaudited Pro Forma Condensed Statement of Financial Condition.

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STIFEL FINANCIAL CORP.

Pro Forma Condensed Combined Statement of Financial Condition (continued)

(Unaudited)

March 31, 2010

(in thousands, except share and per share amounts)	Stifel	Thomas Weisel Partners	Pro forma Adjustments	Pro Forma Combined
Liabilities and Shareholders Equity				
Short-term borrowings from banks	$ 184,900	$	$	$ 184,900
Payables:				
Customers	227,353			227,353
Brokers, dealers and clearing organizations	102,529	17		102,546
Drafts	55,490			55,490
Securities sold under agreements to repurchase	106,617			106,617
Bank deposits	988,263			988,263
Federal Home Loan Bank advances	2,000			2,000
Trading securities sold, but not yet purchased, at fair value	369,825	16,903		386,728
Accrued compensation	91,544	7,199		98,743
Accounts payable and accrued expenses	94,286	37,123	1,335 **F**	132,744
Debenture to Stifel Financial Capital Trust II	35,000			35,000
Debenture to Stifel Financial Capital Trust III	35,000			35,000
Debenture to Stifel Financial Capital Trust IV	12,500			12,500
Other	982	22,636	(22,636)**D**	982
	2,306,289	83,878	(21,301)	2,368,866
Liabilities subordinated to claims of general creditors	8,690			8,690
Shareholders Equity:				
Preferred stock				
Common stock	4,655	329	345 **E**	5,329
Additional paid-in-capital	639,232	493,664	(177,551)**E**	955,345
Retained earnings	268,354	(357,391)	355,692 **F**	266,655
Accumulated other comprehensive income/(loss)	840	(8,401)	8,401 **G**	840
	913,081	128,201	186,887	1,228,169
Treasury stock, at cost		(417)	417 **H**	
Unearned employee stock ownership plan shares, at cost	(677)			(677)
	912,404	127,784	187,304	1,227,492
Total Liabilities and Shareholders Equity	$ 3,227,383	$ 211,662	$ 166,003	$ 3,605,048

See the accompanying notes to the pro forma condensed combined financial statements which are an integral part of these statements. The pro forma adjustments are explained in Note 6 Adjustments to Unaudited Pro Forma Condensed Statement of Financial Condition.

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STIFEL FINANCIAL CORP.

Pro Forma Condensed Combined Statement of Operations

(Unaudited)

For the Year Ended December 31, 2009

(in thousands, except per share amounts)	Stifel	Thomas Weisel Partners	Pro forma Adjustments	Pro Forma Combined
Revenues:				
Principal transactions	$ 458,188	$	$	$ 458,188
Commissions	345,520	92,040		437,560
Investment banking	125,807	71,165		196,972
Asset management and service fees	112,706	32,594		145,300
Interest	46,860	913		47,773
Other income	13,789			13,789
Total revenues	1,102,870	196,712		1,299,582
Interest expense	12,234	1,656	(498)**A**	13,392
Net revenues	1,090,636	195,056	498	1,286,190
Non-interest expenses:				
Compensation and benefits	718,115	133,355		851,470
Occupancy and equipment rental	89,741	19,869		109,610
Communications and office supplies	54,745	17,490		72,235
Commissions and floor brokerage	23,416	25,211		48,627
Other operating expenses	84,205	62,980	(5,881)**B**	141,304
Total non-interest expenses	970,222	258,905	(5,881)	1,223,246
Income/(loss) before income tax expense	120,414	(63,849)	6,379	62,944
Provision for income taxes/(tax benefit)	44,616	(171)	(19,266)**C**	25,179
Net income/(loss)	$ 75,798	$ (63,678)	$ 25,645	$ 37,765
Earnings per common share:				
Basic	$ 2.68	(1.96)		1.11
Diluted	$ 2.35	(1.96)		1.11
Weighted average number of common shares outstanding:				
Basic	28,297	32,515		34,053**D**
Diluted	32,294	32,515		34,053**D**

See the accompanying notes to the pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments are explained in Note 7 Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations.

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STIFEL FINANCIAL CORP.

Pro Forma Condensed Combined Statement of Operations

(Unaudited)

For the Three Months Ended March 31, 2010

(in thousands, except per share amounts)	Stifel	Thomas Weisel Partners	Pro forma Adjustments	Pro Forma Combined
Revenues:				
Principal transactions	$ 117,420	$	$	$ 117,420
Commissions	105,035	18,503		123,538
Asset management and service fees	38,877	6,960		45,837
Investment banking	34,221	27,171		61,392
Interest	14,647	127		14,774
Other income	4,171			4,171
Total revenues	314,371	52,761		367,132
Interest expense	2,341	605	103 **A**	3,049
Net revenues	312,030	52,156	(103)	364,083
Non-interest expenses:				
Compensation and benefits	206,242	31,400		237,642
Occupancy and equipment rental	24,858	3,901		28,759
Communications and office supplies	14,418	4,177		18,595
Commissions and floor brokerage	5,744	6,091		11,835
Other operating expenses	21,203	12,950	(1,893) **B**	32,260
Total non-interest expenses	272,465	58,519	(1,893)	329,091
Income/(loss) before income tax expense	39,565	(6,363)	1,790	34,992
Provision for income taxes/(tax benefit)	15,825	(1,090)	(738)**C**	13,997
Net income/(loss)	$ 23,740	$ (5,273)	$ 2,528	$ 20,995
Earnings per common share:				
Basic	$ 0.77	(0.16)		0.58
Diluted	$ 0.68	(0.16)		0.58
Weighted average number of common shares outstanding:				
Basic	30,720	32,928		36,487**D**
Diluted	35,025	32,928		36,487**D**

See the accompanying notes to the pro forma condensed combined financial statements which are an integral part of these statements. The pro forma adjustments are explained in Note 7 Adjustments to Unaudited Pro Forma Condensed Statement of Operations.

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STIFEL FINANCIAL CORP.

NOTES TO THE PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED)

(in thousands, except per share amounts)

NOTE 1 Description of the Transaction

On April 26, 2010, Stifel Financial Corp. (Stifel) and Thomas Weisel Partners Group, Inc. (Thomas Weisel Partners) entered into a definitive agreement for Stifel to acquire for stock, 100% of the outstanding shares of Thomas Weisel Partners common stock.

If the merger is completed, each share of Thomas Weisel Partners common stock issued and outstanding prior to completion of the merger (other than shares owned by Stifel, shares owned by Thomas Weisel Partners or any of its direct or indirect wholly-owned subsidiaries) will be converted into the right to receive 0.1364 shares of Stifel common stock. Fractional shares of Stifel common stock will not be issued in the merger. Instead, cash will be paid in lieu of any fractional shares of Stifel common stock.

NOTE 2 Basis of Presentation

The unaudited pro forma condensed combined financial information is based on the historical financial statements of Stifel and Thomas Weisel Partners and are prepared and presented pursuant to the regulations of the Securities and Exchange Commission regarding pro forma financial information. The pro forma adjustments include the application of the acquisition method under FASB Accounting Standards Codification (ASC) Topic 805, Business Combinations with respect to the merger. ASC Topic 805 requires, among other things, that identifiable assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date, which is presumed to be the closing date of the merger.

The merger is expected to close on or around June 30, 2010. Accordingly, the pro forma adjustments reflected in the accompanying condensed combined pro forma financial statements may be materially different from the actual acquisition accounting adjustments required as of the acquisition date. In addition, ASC Topic 805 establishes that the value of equity related consideration transferred in a business combination be measured as of the acquisition date. Depending on the magnitude of changes in the value of Stifel common stock between this filing date and the acquisition date, the aggregate value of the merger consideration paid to the stockholders of Thomas Weisel Partners could differ from the amount assumed in these unaudited pro forma condensed combined financial statements.

Under ASC Topic 820, Fair Value Measurements and Disclosures, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be unrelated buyers and sellers in the principal or the most advantageous market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. Many of these fair value measurements can be highly subjective and it is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Under ASC Topic 805, merger-related transaction costs (such as advisory, legal, valuation and other professional fees) are not included as components of consideration transferred but are accounted for as expenses in the periods in which the costs are incurred. We have estimated that total transaction related costs will be approximately $2.2 million ($1.3 million, net of tax). These costs are reflected in accounts payable and accrued expenses in the accompanying unaudited pro forma condensed combined statement of financial condition. Because we are required to expense these costs as they are incurred, we have charged them to retained earnings

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STIFEL FINANCIAL CORP.

NOTES TO THE PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

(in thousands, except per share amounts)

as of March 31, 2010. No adjustment has been made to the unaudited pro forma condensed combined statement of operations for these costs as they do not have a continuing impact on the results of the combined company.

The pro forma condensed combined financial statements do not reflect any cost savings that Stifel expects to achieve from operating efficiencies or synergies, or any expenditure related to restructuring actions to achieve such cost savings. The effects of both cost savings and expenditures for restructuring could materially impact these pro forma condensed combined financial statements.

Certain Thomas Weisel Partners amounts have been reclassified to conform to Stifel s presentation. These reclassifications had no effect on previously reported net earnings. There were no material transactions between Stifel and Thomas Weisel Partners during the periods presented in the unaudited pro forma condensed combined financial statements that would need to be eliminated.

NOTE 3 Accounting Policies

Upon completion of the merger, Stifel will perform a detailed review of Thomas Weisel Partners accounting policies. As a result of that review, Stifel may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements. At this time, Stifel is not aware of any differences that would have a material impact on the combined financial statements and the unaudited pro forma condensed combined financial statements do not assume any significant differences in accounting policies.

NOTE 4 Estimate of Consideration Expected to be Transferred and Purchase Price to be Allocated

A preliminary estimate of consideration expected to be transferred to effect the merger and the aggregate purchase price to be allocated is presented in the table below. These estimates are based upon 32,931 outstanding shares of Thomas Weisel Partners common stock as of April 30, 2010 *(in thousands, except exchange ratio and share price)*:

Thomas Weisel Partners shares outstanding as of April 30, 2010	32,931
Estimated Thomas Weisel Partners shares issuable pursuant to conversion of stock options, restricted stock units and warrants as of April 30, 2010	9,349
Total Thomas Weisel Partners shares and share equivalents prior to close	42,280
Exchange ratio	0.1364
Total Stifel shares to be issued	5,767
Stifel closing share price on April 30, 2010	57.33
Purchase price to be allocated	$ 330,623

The estimated value of Stifel shares issuable as merger consideration is based upon the closing Stifel common stock price as of April 30, 2010 of $57.33 per share. Accordingly, the unaudited pro forma condensed combined financial statements assume that Stifel will issue 5,767 shares with a value of approximately $330.6 million in connection with the merger. In addition, Thomas Weisel Partners shares outstanding as of April 30, 2010 include approximately 6,183 exchangeable shares of TWP Acquisition Company (Canada), Inc. which will remain outstanding following the merger and will become exchangeable for approximately 843 shares of Stifel

STIFEL FINANCIAL CORP.

NOTES TO THE PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

(in thousands, except per share amounts)

common stock. In certain circumstances, the consideration to be transferred upon completion of the merger may differ from the amounts assumed in these unaudited pro forma condensed combined financial statements. The aggregate value of the consideration paid could be significantly impacted, among other factors, if the per share price of Stifel common stock deviates from $57.33 per share, the price utilized in the above table.

Stifel has agreed to provide for Stifel common stock equity awards to replace existing Thomas Weisel Partners equity awards, subject to the same terms and conditions, including any vesting requirements, as were applicable prior to the merger. Stifel common stock potentially issuable in respect to replacement equity awards is approximately 1,209 shares.

NOTE 5 Estimate of Assets to be Acquired and Liabilities to be Assumed

The following is a discussion of the adjustments made to Thomas Weisel Partners assets and liabilities in connection with the preparation of these unaudited pro forma condensed combined financial statements. Each of these adjustments represent preliminary estimates of the fair values of Thomas Weisel Partners assets and liabilities. Based on Stifel s acquisition history and a review of Thomas Weisel Partners consolidated statement of financial condition as of March 31, 2010, Stifel believes a significant portion of the purchase price will be allocated to intangible assets, deferred tax assets and goodwill. Given the nature of the industries in which Stifel and Thomas Weisel Partners operate, the majority of assets and liabilities are recorded at fair value, Stifel has limited its adjustments to these areas. For purposes of preparing the unaudited pro forma condensed combined financial statements, the carrying value of assets and liabilities in Thomas Weisel Partners financial statements, other than the ones described below, are considered to approximate fair value of those assets and liabilities.

The following is a preliminary estimate of the assets to be acquired and liabilities to be assumed by Stifel in the merger, reconciled to the estimate of consideration expected to be transferred upon the completion of the merger *(in thousands)*:

Book value of Thomas Weisel Partners net assets acquired March 31, 2010	$ 127,784
Adjustments to:	
Goodwill	112,995
Intangible assets, net	32,208
Deferred tax assets	57,636
Total adjustments	202,839
Purchase price to be allocated (See Note 4)	$ 330,623

Goodwill: Goodwill is calculated as the excess of the merger date fair value of the consideration expected to be transferred over the fair value assigned to the identifiable assets acquired, including identifiable intangible assets, and liabilities assumed. Goodwill is not amortized but rather is subject to an annual impairment test.

Intangible assets: Reflects a preliminary estimate of the fair value of potential identifiable intangible assets as a result of the merger. As previously noted, the final allocation of the purchase price to identifiable intangible assets may differ significantly from amounts in these unaudited pro forma condensed combined financial statements.

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STIFEL FINANCIAL CORP.

NOTES TO THE PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

(in thousands, except per share amounts)

Deferred tax assets: Deferred income taxes at March 31, 2010 have been adjusted for temporary differences caused by book and tax differences after the allocation of the pro forma purchase price using Stifel s statutory rate of 40 percent.

The fair value of Thomas Weisel Partners assets and liabilities and the appropriate useful lives will be determined after the completion of the merger based on a valuation performed by Stifel management with the assistance of an independent third-party valuation firm. Actual adjustments will be made when the merger is completed and will be based on Thomas Weisel Partners assets and liabilities at that time. Accordingly, the actual adjustments to Thomas Weisel Partners assets and liabilities may differ materially from the estimates reflected in these unaudited pro forma condensed combined financial statements. Any changes to the initial estimates of the fair value of the assets acquired and liabilities assumed, after recording any identifiable intangible assets at fair value, will be allocated to residual goodwill.

NOTE 6 Adjustments to Unaudited Pro Forma Condensed Combined Statement of Financial Condition

Goodwill

A. Reflects adjustment to record residual goodwill (see Note 5).

Intangible assets

B. Reflects adjustments for the following *(in thousands)*:

Estimated fair value of identifiable intangible assets, net (see note 5)	$ 32,208
Elimination of the historical net intangible assets of Thomas Weisel Partners	(13,836)
	$ 18,372

Deferred tax assets

C. Reflects the estimated deferred income tax asset based on Stifel s statutory rate of 40 percent multiplied by the fair value adjustments made to the identifiable assets acquired and liabilities assumed, excluding goodwill.

Notes payable

D. Reflects adjustment to recognize the repayment of Thomas Weisel Partners notes payable, as required by the change in control provisions of the respective agreements.

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STIFEL FINANCIAL CORP.

NOTES TO THE PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

(in thousands, except per share amounts)

Shareholders equity

E. Reflects adjustments for the following *(in thousands)*:

	Common stock	Additional paid-in-capital
Estimated value of the merger consideration to be paid in Stifel common stock (see Note 4)	674	$ 256,840
Estimated value of Stifel equity awards issued replacing existing Thomas Weisel Partners equity awards (see Note 4)		73,109
Eliminate Thomas Weisel Partners common stock and additional-paid-in-capital	(329)	(493,664)
Eliminate Thomas Weisel Partners historical intangible assets		(13,836)
	345	$ (177,551)

F. Reflects adjustments for the following *(in thousands)*:

Elimination of Thomas Weisel Partners accumulated deficit	$ 357,391
Estimated merger-related transaction costs, net of tax (see Note 2)	(1,335)
Expense remaining discount on notes payable	(364)
	$ 355,692

G. Reflects adjustment to eliminate Thomas Weisel Partners accumulated other comprehensive loss.

H. Reflects adjustment to eliminate Thomas Weisel Partners treasury stock.

NOTE 7 Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations

Interest expense

A. Reflects adjustments for the following *(in thousands)*:

	Year ended December 31, 2009	Three months ended March 31, 2010
Eliminate interest expense on notes payable (see Note 6 (D))	$ (547)	$ (151)
Eliminate amortization of discount on notes payable (see Note 6 (D))	(425)	(110)
Expense remaining discount on notes payable (see Note 6 (D))	474	364

$	(498)	$	103

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STIFEL FINANCIAL CORP.

NOTES TO THE PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

(in thousands, except per share amounts)

Other operating expenses

B. Reflects adjustments for the following *(in thousands)*:

	Year ended December 31, 2009	Three months ended March 31, 2010
Estimated acquired intangible amortization	$ 4,053	$ 1,150
Elimination of Thomas Weisel Partners historical amortization expense	(9,934)	(3,043)
	$ (5,881)	$ (1,893)

Provision for income taxes

C. Reflects the income tax effect of pro forma adjustments based on Stifel s statutory rate. For purposes of this unaudited pro forma combined financial information, the statutory rate of 40 percent has been used for all periods presented. This rate does not reflect Stifel s effective tax rate, which includes other tax items, such as foreign taxes, as well as other tax charges or benefits, and does not take into account any historical or possible future tax events that may impact the combined company.

Earnings per common share

D. Pro forma earnings per common share for the year ended December 31, 2009 and the three months ended March 31, 2010, have been calculated based on the estimated weighted average number of common shares outstanding on a pro forma basis, as described below. The pro forma weighted average number of common shares outstanding for the year ended December 31, 2009 and the three months ended March 31, 2010, have been calculated as if the acquisition shares had been issued and outstanding on January 1, 2009. No dilutive effect is assumed for the exchange of Thomas Weisel Partners stock options and restricted stock units as the exchange is assumed to occur at the then current market price of Stifel common stock.

The following table sets forth the computation of pro forma earnings per share for the year ended December 31, 2009 and the three months ended March 31, 2010 (*in thousands*):

	Year ended December 31, 2009	Three months ended March 31, 2010
Historical Stifel average outstanding shares	28,297	30,720
Pro forma Stifel equivalent shares to be issued (see Note 4)	5,756	5,767
	34,053	36,487

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus (including the documents incorporated by reference into this proxy statement/prospectus) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks, uncertainties and assumptions, that, if they never materialize or if they prove incorrect, could cause the actual results of Stifel and its consolidated subsidiaries, Thomas Weisel Partners and its consolidated subsidiaries, or the combined company, to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, statements about: future financial and operating results; Stifel s, Thomas Weisel Partners and the combined company s plans, objectives, strategies, expectations and intentions; products and operations; Stifel s and Thomas Weisel Partners expectations with respect to the synergies, costs and charges, capitalization and anticipated financial impacts of the merger and related transactions; benefits of the transaction to customers, stockholders and employees; the expected tax treatment of the transaction; approval and adoption of the merger agreement and approval of the merger by Thomas Weisel Partners stockholders; the satisfaction of the closing conditions to the merger; the timing of the completion of the merger; future economic conditions or performance; statements of belief; and any statements of assumptions underlying any of the foregoing.

When used in this proxy statement/prospectus (including the documents incorporated by reference into this proxy statement/prospectus), words such as may , might , should , expects , anticipates , believes , estimates , intends , plans , seeks , will , should , would , pro similar expressions or the negatives of these terms and other comparable terminology help to identify these forward-looking statements.

Most of the risks, uncertainties and assumptions referred to above are outside Stifel s and Thomas Weisel Partners control and are difficult to predict. Factors that may cause such differences include, but are not limited to:

- those discussed and identified in public filings with the Securities and Exchange Commission, or the SEC, made by Stifel or Thomas Weisel Partners;
- the inability to close the merger in a timely manner;
- 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 approvals;
- the failure of the transaction to close for any other reason;
- 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;
- the challenges of integrating and retaining key employees;
- 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;
- 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;

the possibility that the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;

the challenges of maintaining and increasing revenues on a combined company basis following the close of the merger;

diversion of management s attention from ongoing business concerns;

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- general competitive, economic, political and market conditions and fluctuations;
- actions taken or conditions imposed by the United States and foreign governments;
- adverse outcomes of pending or threatened litigation or government investigations; and
- the impact of competition in the industries and in the specific markets in which Stifel and Thomas Weisel Partners, respectively, operate.

The foregoing list is not exclusive. Additional information concerning these and other risks is discussed under the caption entitled Risk Factors beginning on page 43. All forward-looking statements included in this proxy statement/prospectus (including the documents incorporated by reference into this proxy statement/prospectus) and all subsequent written and oral forward-looking statements concerning Stifel, Thomas Weisel Partners, the Annual Meeting, the merger, the related transactions or other matters attributable to Stifel or Thomas Weisel Partners, or any person acting on their behalf, are expressly qualified in their entirety by the cautionary statements above. These forward-looking statements speak only as of the date on which the statements were made and Stifel and Thomas Weisel Partners expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statement included in this proxy statement/prospectus or elsewhere, whether written or oral, relating to the matters discussed in this proxy statement/prospectus.

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RISK FACTORS

By voting in favor of the proposal to approve and adopt the merger agreement and approve the merger, you will be choosing to invest in Stifel common stock. Although, if the Exchangeable Share Amendment is approved by the holders of the exchangeable shares, all exchangeable shares will remain outstanding following the merger, each exchangeable share will become exchangeable for shares of Stifel common stock, as described in Annex C. Accordingly, the following risk factors and other information contained in this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus are applicable to holders of exchangeable shares. An investment in Stifel common stock may involve significant risk. You should carefully consider the following risk factors, as well as the other information contained in this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus, in evaluating whether to vote your shares to approve and adopt the merger agreement and approve the merger. This summary of risks is not exhaustive. New risks may emerge from time to time and it is not possible to predict all risk factors, nor can we assess the impact of all factors on the merger and the combined company following the merger or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in or implied by any forward-looking statements. For further discussion of risk factors relating to the business of Stifel, please see the Risk Factors in Stifel s current filings with the SEC. See Where You Can Find More Information beginning on page 153.

Risks Related to the Merger

As a holder of Thomas Weisel Partners common stock, if the merger is completed, you will receive 0.1364 shares of Stifel common stock for each share of Thomas Weisel Partners common stock you own and, if the Exchangeable Share Amendment is approved, as a holder of exchangeable shares, each exchangeable share you own will become exchangeable for 0.1364 shares of Stifel common stock, in each case notwithstanding any changes in the value of Thomas Weisel Partners common stock or Stifel common stock.

Upon completion of the merger, each share of Thomas Weisel Partners common stock will be exchanged for 0.1364 shares of Stifel common stock and, if the Exchangeable Share Amendment is approved, each exchangeable share will be exchangeable for 0.1364 shares of Stifel common stock. There will be no adjustment for changes to reflect the market price of either Thomas Weisel Partners common stock or Stifel common stock or the operating and financial performance of either company. Accordingly, the specific dollar value of the Stifel common stock that you will receive (or that will be reserved for issuance in respect of the exchangeable shares) upon completion of the merger will depend on the market value of Stifel common stock at the time of completion of the merger. The merger may not be completed immediately following the Annual Meeting if all regulatory approvals have not yet been obtained and other conditions have not been satisfied or waived. Neither company is permitted to terminate the merger agreement or re-solicit the vote of Thomas Weisel Partners stockholders solely because of changes in the market prices of either company s common stock or because of changes in the operating and financial performance of either company that do not amount to a material adverse effect, as defined in the merger agreement. Stock price changes may result from a variety of factors, including, among others, general market and economic conditions, changes in Stifel s and Thomas Weisel Partners respective current and anticipated businesses and operations as well as regulatory considerations. Many of these factors are beyond Stifel s and Thomas Weisel Partners control. Additionally, future sales of substantial amounts of Stifel common stock in the public market, or the availability of such shares for sale, including shares issued upon the exercise of outstanding options, could adversely affect the market price of Thomas Weisel Partners common stock and Stifel common stock. You should obtain current market quotations for shares of Stifel common stock and for shares of Thomas Weisel Partners common stock. We cannot assure you that the value of the Stifel common stock that you will receive (or that will be reserved for issuance in respect of the exchangeable shares) in the merger will not decline prior to or after the merger.

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Thomas Weisel Partners directors and executive officers have interests that may influence them to support and approve the merger.

Some of the directors and executive officers of Thomas Weisel Partners may receive certain benefits as a result of the merger, including enhancement in employment terms and continuing indemnification against liabilities. They may also have certain Thomas Weisel Partners stock options and other equity awards and existing employment terms that provide them with interests in the merger, such as accelerated vesting of restricted stock units and stock options in certain circumstances following the closing of the merger, or potential cash severance payments following the closing of the merger, that are different from, or are in addition to, the interests of other stockholders in the merger. As a result, these directors and officers may be more likely to vote to approve and adopt the merger agreement and approve the merger than if they did not have these interests. Some of these executive officers and directors have already agreed to vote in favor of the proposal to approve and adopt the merger agreement and approve the merger and may be released from certain transfer restrictions on their shares of Thomas Weisel Partners common stock or exchangeable shares upon the approval and adoption of the merger agreement and approval of the merger. As of the close of business on the record date for the Annual Meeting at which the merger agreement will be presented and voted upon, Thomas Weisel Partners officers and directors beneficially owned approximately 16.6% of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock entitled to vote at the meeting. Subsequent to the effective time of the merger, Stifel intends to grant equity awards to certain Thomas Weisel Partners employees, particularly those in the sales and trading areas, as well as approximately 35,000 Stifel restricted stock unit awards to Thomas W. Weisel. In addition, subsequent to the effective time of the merger, Stifel intends to waive the continued employment service requirements for vesting under its equity incentive plans, so long as the award recipients agree to refrain from engaging in competitive activities or soliciting activities. For a description of some of these interests, see the sections entitled Interests of Certain Persons in the Merger , The Merger Agreement and Other Agreements Related to the Merger beginning on page 81, page 88 and page 103, respectively, of this proxy statement/prospectus.

The market price of the shares of Stifel common stock may be affected by factors different from those affecting the shares of Thomas Weisel Partners common stock.

Upon completion of the merger, holders of Thomas Weisel Partners common stock will become holders of Stifel common stock and, if the Exchangeable Share Amendment is approved, exchangeable shares will become exchangeable for shares of Stifel common stock. The businesses of Stifel differ from those of Thomas Weisel Partners in certain respects and, accordingly, the results of operations of the combined company and the market price of Stifel common stock following the merger may be affected by factors different from those currently affecting the independent results of operations of Stifel and Thomas Weisel Partners. For example, Stifel s financial performance depends relatively more on its retail brokerage business within its Global Wealth Management Segment, which derives its revenues principally from commissions, principal transactions and, asset management and service fees and may be more closely tied to changes in stock prices, trading volumes and liquidity. In addition, as a bank holding company, Stifel is subject to regulation by the Federal Reserve, and its banking subsidiary, Stifel Bank, is subject to regulation by the FDIC, as described in Regulatory and legal developments could adversely affect Stifel s business and financial condition on page 53 below.

On the other hand, Thomas Weisel Partners financial performance depends relatively more on its investment banking business which (1) is principally focused on growth sectors in the economy, including technology, healthcare, energy and mining, (2) depends significantly on transactions by venture capital backed companies in those sectors and (3) depends on capital markets and strategic advisory engagements that are by nature non-recurring and may not result in revenues from subsequent engagements.

As a result of the merger, the financial performance of the combined firm, from the perspective of current Stifel shareholders, will be relatively more subject to the risks associated with Thomas Weisel Partners investment banking business and, from the perspective of current Thomas Weisel Partners shareholders, will be relatively more subject to the risks associated with Stifel s retail brokerage businesses. For a discussion of the businesses of Stifel and Thomas Weisel Partners and of certain factors to consider in connection with those businesses, see the documents incorporated by reference into this proxy statement/prospectus referred to under Where You Can Find More Information beginning on page 153.

The market price of Thomas Weisel Partners common stock prior to the merger may also not be reflective of Thomas Weisel Partners underlying current operating and financial performance or its longer term prospects because the market price for the Thomas Weisel Partners shares may begin to track the share price of Stifel common stock if investors assume that the merger is likely to be completed.

Stifel and Thomas Weisel Partners may experience difficulties, unexpected costs and delays in integrating their businesses, business models and cultures and the combined company may not realize synergies, efficiencies or cost savings from the merger.

Stifel and Thomas Weisel Partners have operated and, until the merger is completed, will continue to operate, independently. The success of the combined company following the completion of the merger may depend in large part on the ability to integrate the two companies businesses, business models and cultures. In particular, investment banking businesses such as Thomas Weisel Partners and Stifel s depend to a large degree on the efforts and performance of individual employees whose efforts and performance may be affected by any difficulties in the integration of the businesses. In the process of integrating Stifel and Thomas Weisel Partners, Stifel may experience difficulties, unanticipated costs and delays. The challenges involved in the integration may include:

- the necessity of coordinating geographically disparate organizations and addressing possible differences in corporate and regional cultures and management philosophies;
- managing the combined company at geographically separate locations that employ a significant number of employees;
- retaining personnel from different companies and integrating them into a new business culture while maintaining their focus on providing consistent, high-quality client service;
- integrating information technology systems and resources;
- integrating accounting systems and adjusting internal controls to cover Thomas Weisel Partners operations;
- unforeseen expenses or delays associated with the transaction;
- performance shortfalls at one or both of the companies as a result of the diversion of management s attention to the transaction; and
- meeting the expectations of clients with respect to the integration.

The integration of certain operations, in particular the two companies research and brokerage businesses, following the transaction will take time and will require the dedication of significant management resources, which may temporarily distract management s attention from the ongoing businesses of the combined company. Employee uncertainty and lack of focus during the integration process may also disrupt the businesses of the combined company.

It is possible that the integration process could result in the loss of key employees, diversion of each company s management s attention, the disruption or interruption of, or the loss of momentum in, each company s ongoing business or inconsistencies in standards, controls, procedures and policies, any of which could adversely affect the combined company s ability to maintain relationships with clients and employees or the ability to achieve the anticipated benefits of the transaction, or could reduce the combined company s earnings or otherwise adversely affect the business and financial results of the combined company. In addition,

the integration process may strain the combined company s financial and managerial controls and reporting systems and procedures. This may result in the diversion of management and financial resources from the combined company s core business objectives.

Even if Stifel and Thomas Weisel Partners are able to integrate such businesses and operations successfully, there can be no assurance that this integration will result in any synergies, efficiencies or cost savings or that any of these benefits will be achieved within a specific time frame. Any of these factors could adversely affect the combined company s business and results of operations.

If Stifel is unable to integrate Thomas Weisel Partners personnel successfully or retain key Thomas Weisel Partners or Stifel personnel after the merger is completed, the combined company s business may suffer.

Stifel s ability to obtain and successfully execute its business depends upon the personal reputation, judgment, business generation capabilities and project execution skills of Stifel s and Thomas Weisel Partners senior professionals. Any management disruption or difficulties in integrating Stifel s and Thomas Weisel Partners professionals could result in a loss of clients and customers or revenues from clients and customers and could significantly affect the combined company s business and results of operations.

The success of the merger will depend in part on Stifel s ability to retain the talents and dedication of the professionals currently employed by Stifel and Thomas Weisel Partners. It is possible that these employees might decide not to remain with Stifel or Thomas Weisel Partners while Stifel and Thomas Weisel Partners work to complete the merger or with Stifel after the merger is completed. If key employees terminate their employment, or insufficient numbers of employees are retained to maintain effective operations, the combined company s business activities might be adversely affected, management s attention might be diverted from successfully integrating Thomas Weisel Partners operations to hiring suitable replacements, and the combined company s business might suffer. In addition, Stifel and Thomas Weisel Partners might not be able to locate suitable replacements for any key employees that leave either company or offer employment to potential replacements on reasonable terms.

Integration of Thomas Weisel Partners operations with Stifel s operations may impair Stifel s ability to achieve the expected benefits of the merger.

Following completion of the transaction, Stifel expects to make changes to certain aspects of each of the companies operations to integrate Thomas Weisel Partners operations with those of Stifel. For example, Stifel may be required to change the way in which research professionals interact with investment banking professionals to conform to the Global Research Analyst Settlement. In addition, Stifel expects that the merger could affect each of the companies existing client relationships or its ability to enter into new client relationships. Any changes that Stifel makes to each of the companies operations, could disrupt their businesses and client relationships and could materially and adversely affect Stifel s ability to achieve the expected benefits of the transaction and its business and results of operations.

The merger is subject to conditions to closing that could result in the merger being delayed or not consummated, which could negatively impact Stifel s and Thomas Weisel Partners stock price and the combined company s future business and operations. In order to obtain required regulatory approvals, Stifel may become subject to conditions that it does not currently anticipate.

The merger is subject to conditions to closing as set forth in the merger agreement, including obtaining the requisite Thomas Weisel Partners stockholder approval. If any of the conditions to the transaction are not satisfied or, where permissible, not waived, the merger will not be consummated. Failure to consummate the transaction could negatively impact Thomas Weisel Partners stock price, future business and operations, and financial condition. Any delay in the consummation of the merger or any uncertainty about the consummation of the merger may adversely affect the future businesses, growth, revenue and results of operations of Stifel, Thomas Weisel Partners or the combined company.

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The transaction is subject to several U.S. and Canadian regulatory approvals, as well as other regulatory approvals. These regulatory approvals may not be received, or may be received later than anticipated. Regulatory approvals that are received may impose restrictions or conditions that restrict the combined company s activities or otherwise adversely affect the combined company s business and results of operations.

The delay in closing the planned merger could have an adverse effect on Thomas Weisel Partners revenues in the near-term.

To the extent a prolonged delay in completing the planned merger creates uncertainty among Thomas Weisel Partners clients, such delay could have an adverse effect on Thomas Weisel Partners results of operations, and quarterly revenues could be substantially below market expectations and could cause a reduction in the stock price of Thomas Weisel Partners common stock.

The pro forma financial statements are presented for illustrative purposes only and may not be an indication of the combined company s financial condition or results of operations following the merger.

The pro forma financial statements contained in this proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of the combined company s financial condition or results of operations following the merger for several reasons. For example, the pro forma financial statements have been derived from the historical financial statements of Stifel and Thomas Weisel Partners and certain adjustments and assumptions have been made regarding the combined company after giving effect to the merger. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred by the combined company in connection with the transaction. For example, the impact of any incremental costs incurred in integrating the two companies is not reflected in the pro forma financial statements. As a result, the actual financial condition and results of operations of the combined company following the transaction may not be consistent with, or evident from, these pro forma financial statements.

In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company s financial condition or results of operations following the transaction. Any potential decline in the combined company s financial condition or results of operations may cause significant variations in the stock price of the combined company. See the section entitled Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 29.

Stifel and Thomas Weisel Partners expect to incur significant costs associated with the merger.

Stifel estimates that it will incur direct transaction costs of approximately $2.2 million associated with the merger. In addition, Thomas Weisel Partners estimates that it will incur direct transaction costs of approximately $2.5 million which will be recognized as expenses as incurred. Stifel and Thomas Weisel Partners believe the combined entity may incur charges to operations, which are not currently reasonably estimable, in the quarter in which the merger is completed or the following quarters, to reflect costs associated with integrating the two companies. There can be no assurance that the combined company will not incur additional material charges in subsequent quarters to reflect additional costs associated with the merger and the integration of the two companies. Although Stifel expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow Stifel to offset incremental transaction and merger-related costs over time, this net benefit may not be achieved in the near term, or at all.

The merger may not be accretive and may cause dilution to Stifel s earnings per share, which may negatively affect the market price of Stifel common stock.

Stifel currently anticipates that the merger will be accretive to earnings per share during the first full calendar year after the merger. This expectation is based on preliminary estimates which may materially change.

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Stifel could also encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits anticipated in the merger. All of these factors could cause dilution to Stifel s earnings per share or decrease or delay the expected accretive effect of the merger and cause a decrease in the price of Stifel common stock.

The shares of Stifel common stock to be received by Thomas Weisel Partners stockholders or reserved for issuance for holders of exchangeable shares if the merger is approved and consummated will have different rights from the shares of Thomas Weisel Partners common stock.

Upon completion of the merger, Thomas Weisel Partners stockholders will become Stifel stockholders and their rights as stockholders will be governed by Stifel s certificate of incorporation and bylaws. If the Exchangeable Share Amendment is approved, exchangeable shares will become exchangeable for shares of Stifel common stock. The rights associated with Thomas Weisel Partners common stock are different from the rights associated with Stifel common stock. Please see Comparison of Rights of Stifel Stockholders and Thomas Weisel Partners Stockholders beginning on page 104 for a discussion of the different rights associated with Stifel common stock.

The termination fee and restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire Thomas Weisel Partners.

Until the completion of the merger, with limited exceptions, the merger agreement prohibits Thomas Weisel Partners from entering into an alternative acquisition transaction with, or soliciting any alternative acquisition proposal from, another party. Thomas Weisel Partners has agreed under certain circumstances to pay Stifel a termination fee equal to $10,000,000, including where the Thomas Weisel Partners board of directors withdraws its support of the merger to enter into a business combination with a third party. These provisions could discourage other companies from trying to acquire Thomas Weisel Partners even though those other companies might be willing to offer greater value to Thomas Weisel Partners stockholders than Stifel has offered in the merger.

Risks Related to Thomas Weisel Partners if the Merger Is Not Completed

If the merger is not completed, the price of Thomas Weisel Partners common stock and future business and operations could be harmed.

If the merger is not completed, Thomas Weisel Partners may be subject to the following material risks, among others:

- Thomas Weisel Partners may not be able to find a party willing to pay an equivalent or more attractive exchange ratio than the ratio offered by Stifel;
- the price of Thomas Weisel Partners common stock may decline to the extent that the current market price of Thomas Weisel Partners common stock reflects an assumption that the merger will be completed;
- certain of Thomas Weisel Partners costs related to the merger, such as legal, accounting and certain financial advisory fees, must be paid even if the merger is not completed;
- Thomas Weisel Partners would not realize the benefits it expects by being part of a combined company with Stifel, as well as the potentially enhanced financial position as a result of being part of the combined company;
- the diversion of management attention from Thomas Weisel Partners day-to-day business and the unavoidable disruption to its employees and its relationships with clients as a result of efforts and uncertainties relating to Thomas Weisel Partners anticipated merger with Stifel may detract from Thomas Weisel Partners ability to grow revenues and minimize costs, which, in turn may lead to a loss of market position that Thomas Weisel Partners could be unable to regain if the merger does not occur;

under the merger agreement, Thomas Weisel Partners is subject to certain restrictions on the conduct of its business prior to completing the merger which may affect its ability to execute certain of its business strategies; and

Thomas Weisel Partners may not be able to continue its present level of operations, may need to scale back its business and may not be able to take advantage of future opportunities or effectively respond to competitive pressures, any of which could have a material adverse effect on its business and results of operations.

Stockholders may sell substantial amounts of Thomas Weisel Partners common stock in the public market, which is likely to depress the price of Thomas Weisel Partners common stock.

A significant number of shares of Thomas Weisel Partners common stock may be sold at any time prior to the merger. If Thomas Weisel Partners current stockholders sell Thomas Weisel Partners common stock in the public market prior to the merger, it is likely that arbitrageurs will acquire such shares. These arbitrageurs would likely sell all such shares in the public market immediately following any announcement, or anticipated announcement, that the merger with Stifel failed, or will likely fail, to close for regulatory or other reasons, which in turn would likely cause the market price of Thomas Weisel Partners common stock to decline.

In addition to the other negative effects on Thomas Weisel Partners, all such sales of Thomas Weisel Partners common stock might make it more difficult for Thomas Weisel Partners to sell equity or equity-related securities in the future if the merger with Stifel is not completed.

Risks Relating to Thomas Weisel Partners

Thomas Weisel Partners is, and will continue to be, subject to the risks described in Part I, Item 1A in Thomas Weisel Partners Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on March 12, 2010, and in Part II, Item 1A in Thomas Weisel Partners Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed with the SEC on May 10, 2010, incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information beginning on page 153 for the location of information incorporated by reference into this proxy statement/prospectus.

Risks Relating to Stifel

In addition to the other information set forth in this report, you should carefully consider the following factors which could materially affect Stifel s business, financial condition or future results of operations. Although the risks described below are those that management believes are the most significant, these are not the only risks facing Stifel. Additional risks and uncertainties not currently known to Stifel or that Stifel currently does not deem to be material also may materially affect Stifel s business, financial condition or future results of operations. Stifel may amend or supplement these risk factors from time to time in other reports it files with the SEC.

Stifel s results of operations may be adversely affected by conditions in the global financial markets and economic downturn.

Stifel s results of operations are materially affected by conditions in the financial markets and economic conditions generally, both in the United States and elsewhere around the world. Significant weaknesses and volatility in the credit markets stemming from difficulties in the U.S housing market spread to the broader financial market and lead to a decline in global economic growth that has resulted in a significant recession. Specifically, dramatic declines in U.S. housing market values, together with increasing foreclosures and unemployment, have resulted in significant write-downs of asset values by financial institutions, including government-sponsored entities, as well as major commercial and investment banks. These write-downs, which were initially associated with mortgaged-backed securities but which have substantially spread to credit default swaps and other derivative securities, in turn have caused many financial institutions to seek additional capital, to merge with larger and stronger institutions and, in some cases, to fail. Reflecting concern about the stability of

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the financial markets generally and the strength of counterparties, many lenders and institutional investors have ceased to provide funding to even the most credit-worthy borrowers. This market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility and widespread reduction of business activity generally.

The resulting economic pressures on consumers and businesses and the lack of confidence in the financial markets have adversely affected Stifel s business, financial condition and results of operations. Despite recent improvements in market conditions, a potential future decline in these conditions would likely exacerbate the adverse effects of these difficult market conditions on Stifel and others in the financial services industry. It is difficult to predict how long these uncertain market and economic conditions and the accompanying recession will continue, whether the global credit crisis will cause market and economic conditions to continue to deteriorate, and which of Stifel s markets, products and businesses will continue to be adversely affected and to what degree. Stifel may have impairment losses if events or changes in circumstances occur which may reduce the fair value of an asset below its carrying amount. As a result, these conditions could adversely affect Stifel s financial condition and results of operations. In addition, Stifel may be subject to increased regulatory scrutiny and litigation due to these issues and events.

A significant portion of Stifel s revenue is derived from commissions, margin interest revenue, principal transactions, asset management and service fees, and investment banking fees. Accordingly, severe market fluctuations, weak economic conditions, a decline in stock prices, trading volumes, or liquidity could have an adverse affect on Stifel s profitability. Continued or further credit dislocations or sustained market downturns may result in a decrease in the volume of trades Stifel executes for its clients, a decline in the value of securities Stifel holds in inventory as assets, and reduced investment banking revenues. Poor economic conditions have adversely affected investor confidence, resulting in significant industry-wide declines in the size and number of underwritings and advisory transactions, which could continue to have an adverse effect on Stifel s revenues.

The fixed income markets are experiencing a period of extreme volatility which has negatively impacted market liquidity conditions. As a result, fixed income instruments are experiencing liquidity issues, increased price volatility, credit downgrades, and increased likelihood of default. In addition to being hard to dispose of, securities that are less liquid are also more difficult to value. Domestic and international equity markets have also been experiencing heightened volatility and turmoil, and as a result issuers that have exposure to the real estate, mortgage and credit markets, including banks and broker-dealers, have been particularly affected. These events and the continuing market upheavals may have an adverse effect on Stifel. In the event of a sustained market downturn, Stifel s results of operations could be adversely affected by those factors in many ways. Stifel s revenues are likely to decline in such circumstances and, if it was unable to reduce expenses at the same pace, Stifel s profit margins would erode. Even in the absence of a sustained market downturn, Stifel is exposed to substantial risk of loss due to market volatility.

In addition, declines in the market value of securities generally result in a decline in revenues from fees based on the asset values of client portfolios, in the failure of buyers and sellers of securities to fulfill their settlement obligations, and in the failure of Stifel s clients to fulfill their credit and settlement obligations. During market downturns, Stifel s counterparties may be less likely to complete transactions. Also, Stifel permits its clients to purchase securities on margin. During periods of steep declines in securities prices, the value of the collateral securing client accounts margin purchases may drop below the amount of the purchaser s indebtedness. If the clients are unable to provide additional collateral for these loans, Stifel may lose money on these margin transactions. This may cause Stifel to incur additional expenses defending or pursuing claims or litigation related to counterparty or client defaults.

In addition, in certain of the transactions Stifel is required to post collateral to secure its obligations to the counterparties. In the event of a bankruptcy or insolvency proceeding involving such counterparties, Stifel may experience delays in recovering its assets posted as collateral or may incur a loss to the extent that the counterparty was holding collateral in excess of its obligation to such counterparty. There is no assurance that any such losses would not materially and adversely affect Stifel s business, financial condition and results of operations.

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Recent legislative and regulatory actions, and any such future actions, to address the current liquidity and credit crisis in the financial industry may significantly affect Stifel s financial condition, results of operation, liquidity or stock price.

Recent economic conditions, particularly in the financial markets, as well as the effect of the change of administration in the White House, have resulted in government regulatory agencies and political bodies placing increased focus on and scrutiny of the financial services industry. In addition to the U.S. Treasury Department s Capital Purchase Program (in which Stifel has not participated), under the Troubled Asset Relief Program announced last fall and the new Capital Assistance Program announced in the spring (in which Stifel has not participated), the U.S. Government has taken steps that include enhancing the liquidity support available to financial institutions, establishing a commercial paper funding facility, temporarily guaranteeing money market funds and certain types of debt issuances, and increasing insurance on bank deposits, and the U.S. Congress, through the Emergency Economic Stabilization Act of 2008, and the American Recovery and Reinvestment Act of 2009 have imposed a number of restrictions and limitations on the operations of financial services firms participating in the federal programs. Further, there is no assurance that these programs individually or collectively will have beneficial effects in the credit markets, will address credit or liquidity issues of companies that participate in the programs or will reduce volatility or uncertainty in the financial markets. The failure of these programs to have their intended effects could have a material adverse effect on the financial markets, which in turn could materially and adversely affect Stifel s financial condition, results of operations, or liquidity.

Stifel anticipates new legislative and regulatory initiatives over the next several years, including many focused specifically on the financial services industry that could further substantially increase regulation of the financial services industry and impose restrictions on the operations and general ability of firms within the industry to conduct business consistent with historical practices. Stifel cannot predict the substance or impact of pending or future legislation, regulation or the application thereof. Compliance with such current and potential regulation and scrutiny may significantly increase Stifel s costs, impede the efficiency of its internal business processes, require it to increase its regulatory capital, impact how it compensates and incents its associates and limit its ability to pursue business opportunities in an efficient manner.

Lack of sufficient liquidity or access to capital could impair Stifel s business and financial condition.

Liquidity is essential to Stifel s business. If Stifel has insufficient liquid assets, it will be forced to curtail its operations, and its business will suffer. Stifel s assets, consisting mainly of cash or assets readily convertible into cash, are its principal sources of liquidity. These assets are financed primarily by Stifel s equity capital, debentures to trusts, client credit balances, short-term bank loans, proceeds from securities lending, customer deposits and other payables. Stifel currently finances its client accounts and firm trading positions through ordinary course borrowings at floating interest rates from various banks on a demand basis and securities lending, with company-owned and client securities pledged as collateral. Changes in securities market volumes, related client borrowing demands, underwriting activity, and levels of securities inventory affect the amount of Stifel s financing requirements.

The capital and credit markets have been experiencing volatility and disruption since early 2008, and reached unprecedented levels during the first quarter of 2009. In some cases, the markets have produced downward pressure on stock prices and credit availability for certain issuers without regard to those issuers underlying financial strength. Despite recent improvements in market conditions, if market disruption and volatility return to the unprecedented levels reached in early 2009 or worsen, there can be no assurance that Stifel will not experience an adverse effect, which may be material to its business, financial condition and results of operations and affect its ability to access capital.

Stifel s liquidity requirements may change in the event it needs to raise more funds than anticipated to increase inventory positions, support more rapid expansion, develop new or enhanced services and products, acquire technologies, or respond to other unanticipated liquidity requirements. Stifel relies exclusively on

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financing activities and distributions from its subsidiaries for funds to implement its business and growth strategies. Net capital rules or the borrowing arrangements of Stifel s subsidiaries, as well as the earnings, financial condition, and cash requirements of its subsidiaries, may each limit distributions to Stifel from its subsidiaries.

In the event existing internal and external financial resources do not satisfy Stifel s needs, it may have to seek additional outside financing. The availability of outside financing will depend on a variety of factors, such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, credit ratings, and credit capacity, as well as the possibility that lenders could develop a negative perception of its long-term or short-term financial prospects if Stifel incurred large trading losses or if the level of its business activity decreased due to a market downturn or otherwise. Stifel currently does not have a credit rating, which could adversely affect its liquidity and competitive position by increasing its borrowing costs and limiting access to sources of liquidity that require a credit rating as a condition to providing funds.

Current trends in the global financial markets could cause significant fluctuations in Stifel s stock price.

Stock markets in general, and stock prices of financial services firms in particular, including Stifel, have in recent years, and particularly in the latter part of 2008 continuing through the first quarter of 2009, experienced significant price and volume fluctuations. The market price of Stifel s common stock may continue to be subject to similar market fluctuations which may be unrelated to its operating performance or prospects, and increased volatility could result in an overall decline in the market price of its common stock. Factors that could significantly impact the volatility of Stifel s stock price include:

- developments in Stifel s business or in the financial sector generally, including the effect of direct governmental action in the financial markets generally and with respect to financial institutions in particular;
- regulatory changes affecting Stifel s operations;
- the operating and securities price performance of companies that investors consider to be comparable to Stifel;
- announcements of strategic developments, acquisitions and other material events by Stifel or its competitors; and
- changes in global financial markets and global economies and general market conditions, such as interest or foreign exchange rates, stock, commodity or asset valuations or volatility.

Significant declines in the market price of Stifel s common stock or failure of the market price of its common stock to increase could harm its ability to recruit and retain key employees, including its executives and financial advisors and other key professional employees and those who have joined Stifel from companies Stifel has acquired, reduce its access to debt or equity capital and otherwise harm its business or financial condition. In addition, Stifel may not be able to use its common stock effectively as consideration in connection with future acquisitions.

Stifel faces intense competition in its industry.

All aspects of Stifel s business and of the financial services industry in general are intensely competitive. Stifel expects competition to continue and intensify in the future. Stifel s business will suffer if it does not compete successfully. Stifel competes on the basis of a number of factors, including the quality of its personnel, the quality and selection of its investment products and services, pricing (such as execution pricing and fee levels), and reputation. Because of market unrest and increased government intervention, the financial services industry has recently undergone significant consolidation, which has further concentrated equity capital and other financial resources in the industry and further increased competition. Many of Stifel s competitors use their significantly

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greater financial capital and scope of operations to offer their customers more products and services, broader research capabilities, access to international markets, and other products and services not currently offered by Stifel.

Stifel competes directly with national full-service broker-dealers, investment banking firms, and commercial banks and, to a lesser extent, with discount brokers and dealers and investment advisors. In addition, Stifel faces competition from new entrants into the market and increased use of alternative sales channels by other firms. Domestic commercial banks and investment banking boutique firms have entered the broker-dealer business, and large international banks have begun serving Stifel s markets as well. Legislative and regulatory initiatives intended to ease restrictions on the sale of securities and underwriting activities by commercial banks have increased competition. Stifel also competes indirectly for investment assets with insurance companies, real estate firms, hedge funds and others. This increased competition could cause Stifel s business to suffer.

The industry of electronic and/or discount brokerage services is continuing to develop. Increased competition from firms using new technology to deliver these products and services may materially and adversely affect Stifel s operating results and financial position. Competitors offering internet-based or other electronic brokerage services may have lower costs and offer their customers more attractive pricing and more convenient services than Stifel does. In addition, Stifel anticipates additional competition from underwriters who conduct offerings of securities through electronic distribution channels, bypassing financial intermediaries such as Stifel altogether. These and other competitive pressures may have an adverse affect on Stifel s competitive position and, as a result, Stifel s operations, financial condition and liquidity.

Regulatory and legal developments could adversely affect Stifel s business and financial condition.

The financial services industry is subject to extensive regulation and broker-dealers and investment advisors are subject to regulations covering all aspects of the securities business. Stifel could be subject to civil liability, criminal liability, or sanctions, including revocation of its subsidiaries registrations as investment advisors or broker-dealers, revocation of the licenses of its financial advisors, censures, fines, or a temporary suspension or permanent bar from conducting business, if Stifel violates such laws or regulations. Any such liability or sanction could have a material adverse effect on Stifel s business, financial condition and prospects. Moreover, Stifel s independent contractor subsidiaries, CSA and SN Ltd, give rise to a potentially higher risk of noncompliance because of the nature of the independent contractor relationships involved.

As a bank holding company, Stifel is subject to regulation by the Federal Reserve. Stifel Bank is subject to regulation by the FDIC. As a result, Stifel is subject to a risk of loss resulting from failure to comply with banking laws. The recent economic and political environment has caused regulators to increase their focus on the regulation of the financial services industry, including introducing proposals for new legislation. Stifel is unable to predict whether any of these proposals will be implemented and in what form, or whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future. Any such action could affect Stifel in substantial and unpredictable ways and could have an adverse effect on its business, financial condition and results of operations. Stifel also may be adversely affected as a result of changes in federal, state or foreign tax laws, or by changes in the interpretation or enforcement of existing laws and regulations. For additional information regarding Stifel s regulatory environment and its approach to managing regulatory risk, see Item 1 Business Regulation and Item 7A Quantitative and Qualitative Disclosures About Market Risk in Stifel s Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on February 26, 2010 and Part I, Item 3 Quantitative and Qualitative Disclosures About Market Risk in Stifel s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed with the SEC on April 30, 2010.

Stifel and its subsidiaries are named in and subject to various proceedings and claims arising primarily from its securities business activities, including lawsuits, arbitration claims, class actions, and regulatory matters. Some of these claims seek substantial compensatory, punitive, or indeterminate damages. Stifel and its subsidiaries are also involved in other reviews, investigations and proceedings by governmental and selfregulatory organizations regarding its business which may result in adverse judgments, settlements, fines, penalties, injunctions and other relief.

The regulatory investigations include inquiries from the SEC, FINRA and several state regulatory authorities requesting information concerning Stifel s activities with respect to auction rate securities (ARS) and in connection with certain investments made by other post-employment benefit (OPEB) trusts formed by five Southwestern Wisconsin school districts.

In turbulent economic times such as these, the volume of claims and amount of damages sought in litigation and regulatory proceedings against financial institutions has historically increased. These risks include potential liability under securities and other laws for alleged materially false or misleading statements made in connection with securities offerings and other transactions, issues related to the suitability of Stifel s investment advice based on its clients investment objectives, and potential liability for other advice Stifel provides to participants in strategic transactions. Legal actions brought against Stifel may result in judgments, settlements, fines, penalties or other results, any of which could materially adversely affect Stifel s business, financial condition or results of operations, or cause it serious reputational harm.

For a discussion of Stifel s legal matters, including ARS and OPEB litigation, and its approach to managing legal risk, see Item 3, Legal Proceedings and Item 7A, Quantitative and Qualitative Disclosures About Market Risk in Stifel s Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on February 26, 2010 and Part II, Item 1, Legal Proceedings and Part I, Item 3 Quantitative and Qualitative Disclosures About Market Risk in Stifel s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed with the SEC on April 30, 2010.

Failure to comply with regulatory capital requirements would significantly harm Stifel s business.

The SEC requires broker-dealers to maintain adequate regulatory capital in relation to their liabilities and the size of their customer business. These rules require Stifel Nicolaus and CSA, Stifel s broker-dealer subsidiaries, to maintain a substantial portion of their assets in cash or highly liquid investments. Failure to maintain the required net capital may subject Stifel s broker-dealer subsidiaries to limitations on their activities, or in extreme cases, suspension or revocation of their registration by the SEC and suspension or expulsion by FINRA and other regulatory bodies, and, ultimately, liquidation. Stifel s international subsidiary, SN Ltd, is subject to similar limitations under applicable laws in the United Kingdom. Failure to comply with the net capital rules could have material and adverse consequences, such as:

- limiting Stifel s operations that require intensive use of capital, such as underwriting or trading activities; or

- restricting Stifel from withdrawing capital from its subsidiaries, even where its broker-dealer subsidiaries have more than the minimum amount of required capital. This, in turn, could limit Stifel s ability to implement its business and growth strategies, pay interest on and repay the principal of its debt and/or repurchase its shares.

In addition, a change in the net capital rules or the imposition of new rules affecting the scope, coverage, calculation, or amount of net capital requirements, or a significant operating loss or any large charge against net capital, could have similar adverse effects. In addition, as a bank holding company, Stifel and its bank subsidiary are subject to various regulatory requirements administered by the federal banking agencies, including capital adequacy requirements pursuant to which Stifel and its bank subsidiary must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. See Item 1 Business Regulation for additional information regarding Stifel s regulatory environment in Stifel s Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on February 26, 2010.

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Stifel has experienced significant pricing pressure in areas of its business, which may impair its revenues and profitability.

In recent years, Stifel s business has experienced significant pricing pressures on trading margins and commissions in fixed income and equity trading. In the fixed income market, regulatory requirements have resulted in greater price transparency, leading to increased price competition and decreased trading margins. In the equity market, Stifel has experienced increased pricing pressure from institutional clients to reduce commissions, and this pressure has been augmented by the increased use of electronic and direct market access trading, which has created additional competitive downward pressure on trading margins. The trend towards using alternative trading systems is continuing to grow, which may result in decreased commission and trading revenue, reduce Stifel s participation in the trading markets and its ability to access market information, and lead to the creation of new and stronger competitors. Institutional clients also have pressured financial services firms to alter soft dollar practices under which brokerage firms bundle the cost of trade execution with research products and services. Some institutions are entering into arrangements that separate (or unbundle) payments for research products or services from sales commissions. These arrangements have increased the competitive pressures on sales commissions and have affected the value Stifel s clients place on high-quality research. Additional pressure on sales and trading revenue may impair the profitability of Stifel s business. Moreover, Stifel s inability to reach agreement regarding the terms of unbundling arrangements with institutional clients who are actively seeking such arrangements could result in the loss of those clients, which would likely reduce Stifel s institutional commissions. Stifel believes that price competition and pricing pressures in these and other areas will continue as institutional investors continue to reduce the amounts they are willing to pay, including by reducing the number of brokerage firms they use, and some of Stifel s competitors seek to obtain market share by reducing fees, commissions or margins.

Stifel s underwriting and market-making activities place its capital at risk.

Stifel may incur losses and be subject to reputational harm to the extent that, for any reason, Stifel is unable to sell securities it purchased as an underwriter at the anticipated price levels. As an underwriter, Stifel also is subject to heightened standards regarding liability for material misstatements or omissions in prospectuses and other offering documents relating to offerings Stifel underwrites. As a market maker, Stifel may own large positions in specific securities, and these undiversified holdings concentrate the risk of market fluctuations and may result in greater losses than would be the case if Stifel s holdings were more diversified.

Stifel s ability to attract, develop and retain highly skilled and productive employees is critical to the success of its business.

Stifel s people are its most valuable asset. Stifel s ability to develop and retain its client base and to obtain investment banking and advisory engagements depends upon the reputation, judgment, business generation capabilities and project execution skills of highly skilled and often highly specialized employees, including Stifel s executive officers. The unexpected loss of services of any of these key employees and executive officers, or the inability to recruit and retain highly qualified personnel in the future, could have an adverse effect on Stifel s business and results of operations.

Financial advisors typically take their clients with them when they leave Stifel to work for a competitor. From time to time, in addition to financial advisors, Stifel has lost equity research, investment banking, public finance, institutional sales and trading professionals, and in some cases, clients, to its competitors.

Competition for personnel within the financial services industry is intense. The cost of retaining skilled professionals in the financial services industry has escalated considerably, as competition for these professionals has intensified. Employers in the industry are increasingly offering guaranteed contracts, upfront payments, and increased compensation. These can be important factors in a current employee s decision to leave Stifel as well as a prospective employee s decision to join Stifel. As competition for skilled professionals in the industry increases, Stifel may have to devote more significant resources to attracting and retaining qualified personnel. In

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particular, Stifel s financial results may be adversely affected by the amortization costs incurred by Stifel in connection with the upfront loans it offers to financial advisors.

Moreover, companies in Stifel s industry whose employees accept positions with competitors frequently claim that those competitors have engaged in unfair hiring practices. Stifel is currently subject to several such claims and may be subject to additional claims in the future as it seeks to hire qualified personnel, some of whom may currently be working for Stifel s competitors. Some of these claims may result in material litigation. Stifel could incur substantial costs in defending itself against these claims, regardless of their merits. Such claims could also discourage potential employees who currently work for Stifel competitors from joining Stifel.

Stifel may recruit financial advisors, make strategic acquisitions of businesses, or divest or exit existing businesses, which could cause it to incur unforeseen expenses and have disruptive effects on its business and may strain its resources.

Stifel s growth strategies have included, and will continue to include, the recruitment of financial advisors and strategic acquisitions. Since December 2005, Stifel has completed six acquisitions: LM Capital Markets in 2005, the private client business of MJSK in 2006, Ryan Beck and First Service in 2007, Butler Wick in 2008 and certain branches from the UBS Wealth Management Americas branch network in 2009. These acquisitions, as well as the current proposed acquisition of Thomas Weisel Partners, or any other acquisition that Stifel determines to pursue will be accompanied by a number of risks. The growth of Stifel s business and expansion of its client base has strained, and may continue to strain, Stifel management and administrative resources. Costs or difficulties relating to such transactions, including integration of financial advisors, and other employees, products and services, technology systems, accounting systems and management controls, may be greater than expected. Unless offset by a growth of revenues, the costs associated with these investments will reduce Stifel s operating margins. In addition, because, as noted above, financial professionals typically take their clients with them when they leave, if key employees or other senior management personnel of the businesses Stifel has acquired determine that they do not wish to remain with Stifel over the long term or at all, Stifel would not inherit portions of the client base of those businesses, which would reduce the value of those acquisitions to Stifel.

In addition to past growth, Stifel cannot assure investors that it will be able to manage its future growth successfully. The inability to do so could have a material adverse effect on Stifel s business, financial condition and results of operations. After Stifel announces or completes any given acquisition in the future, including the current proposed acquisition of Thomas Weisel Partners, Stifel s share price could decline if investors view the transaction as too costly or unlikely to improve Stifel s competitive position. Stifel may be unable to retain key personnel after any such transaction, and the transaction may impair relationships with customers and business partners. These difficulties could disrupt Stifel s ongoing business, increase its expenses and adversely affect its operating results and financial condition. In addition, Stifel may be unable to achieve anticipated benefits and synergies from any such transaction as fully as expected or within the expected time frame. Divestitures or elimination of existing businesses or products could have similar effects.

Moreover, to the extent Stifel pursues increased expansion to different geographic markets or grow generally through additional strategic acquisitions, Stifel cannot assure you that it will identify suitable acquisition candidates, that acquisitions will be completed on acceptable terms or that it will be able to successfully integrate the operations of any acquired business into its existing business. Such acquisitions could be of significant size and involve firms located in regions of the United States where Stifel does not currently operate, or internationally. To acquire and integrate a separate organization would further divert management attention from other business activities. This diversion, together with other difficulties Stifel may encounter in integrating an acquired business, could have a material adverse effect on Stifel s business, financial condition and results of operations. In addition, Stifel may need to borrow money to finance acquisitions, which would increase Stifel s leverage. Such funds might not be available on terms as favorable to Stifel as its current borrowing terms or at all.

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The rapid growth of Stifel Bank may expose Stifel to increased operational risk, credit risk and sensitivity to market interest rates along with increased regulation, examinations and supervision by regulators.

Stifel has experienced rapid growth in the balance sheet of Stifel Bank. The increase is primarily attributable to the growth in securities-based loans and deposits as a result of the UBS acquisition. Although Stifel s stock-secured loans are collateralized by assets held in brokerage accounts, Stifel is exposed to some credit and operational risk associated with these loans. Stifel describes some of the integration related operational risks associated with its recent acquisitions above, which includes many of the same risks related to the growth of Stifel Bank. With the increase in deposits, and resulting liquidity, Stifel has been able to expand its investment portfolio, primarily with government agency securities. In addition, Stifel Bank has significantly grown its mortgage banking business. Although Stifel believes it has adequate underwriting policies in place, there are inherent risks associated with the mortgage banking business. For further discussion of Stifel s segments, including its Stifel Bank reporting unit, see Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations Segment Analysis in Stifel s Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on February 26, 2010 and Part I, Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations Segment Analysis in Stifel s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed with the SEC on April 30, 2010.

As a result of the high percentage of Stifel s assets and liabilities that are in the form of interest-bearing or interest-related instruments, Stifel is more sensitive to changes in interest rates, in the shape of the yield curve or in relative spreads between market interest rates.

The monetary, tax and other policies of the government and its agencies, including the Federal Reserve, have a significant impact on interest rates and overall financial market performance. An important function of the Federal Reserve is to regulate the national supply of bank credit and market interest rates. The actions of the Federal Reserve influence the rates of interest that Stifel charges on loans and that Stifel pays on borrowings and interest-bearing deposits, which may also affect the value of its on-balance sheet and off-balance sheet financial instruments. Stifel cannot predict the nature or timing of future changes in monetary, tax and other policies or the effect that they may have on its activities and results of operations.

In addition, Stifel Bank is heavily regulated at the state and federal level. This regulation is to protect depositors, federal deposit insurance funds, consumers and the banking system as a whole, not Stifel s stockholders. Federal and state regulations can significantly restrict Stifel s businesses, and Stifel is subject to various regulatory actions which could include fines, penalties or other sanctions for violations of laws and regulatory rules if Stifel is ultimately found to be out of compliance.

Stifel s risk management policies and procedures may leave it exposed to unidentified or unanticipated risk.

Stifel seeks to manage, monitor and control its operational, legal and regulatory risk through operational and compliance reporting systems, internal controls, management review processes and other mechanisms; however, there can be no assurance that its procedures will be fully effective. Further, Stifel s risk management methods are based on an evaluation of information regarding markets, clients and other matters that are based on assumptions that may no longer be accurate. In addition, Stifel has undergone significant growth in recent years. A failure to adequately manage Stifel s growth, or to effectively manage its risk, could materially and adversely affect Stifel s business and financial condition. Stifel must also address potential conflicts of interest that arise in its business. Stifel has procedures and controls in place to address conflicts of interest, but identifying and managing potential conflicts of interest can be complex and difficult and Stifel s reputation could be damaged if it fails, or appears to fail, to deal appropriately with conflicts of interest. See Item 7A, Quantitative and Qualitative Disclosures About Market Risk in Stifel s Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on February 26, 2010, and Part I, Item 3, Quantitative and Qualitative Disclosures About Market Risk in Stifel s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed with the SEC on April 30, 2010, for more information on how Stifel monitors and manages market and certain other risks.

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Stifel continually encounters technological change, and Stifel may have fewer resources than many of its competitors to continue to invest in technological improvements, which are important to attract and retain financial advisors.

Stifel relies extensively on electronic data processing and communications systems. Adapting or developing its technology systems to meet new regulatory requirements, client needs and industry demands is critical for Stifel s business. Introduction of new technologies present new challenges on a regular basis. In addition to better serving its clients, the effective use of technology increases efficiency and enables Stifel to reduce costs. Stifel s future success will depend in part upon its ability to successfully maintain and upgrade its systems and its ability to address the needs of its clients by using technology to provide products and services that will satisfy their demands for convenience, as well as to create additional efficiencies in its operations. Many of Stifel s competitors have substantially greater resources to invest in technological improvements. Stifel cannot assure you that it will be able to effectively upgrade its systems, implement new technology-driven products and services or be successful in marketing these products and services to its clients.

Stifel s operations and infrastructure and those of the service providers upon which it relies may malfunction or fail.

Stifel s business is highly dependent on its ability to process, on a daily basis, a large number of transactions across diverse markets, and the transactions Stifel processes have become increasingly complex. The inability of Stifel s systems to accommodate an increasing volume of transactions could also constrain its ability to expand its businesses. If any of these systems do not operate properly or are disabled, or if there are other shortcomings or failures in Stifel s internal processes, people or systems, Stifel could suffer impairments, financial loss, a disruption of its businesses, liability to clients, regulatory intervention or reputational damage.

Stifel has outsourced certain aspects of its technology infrastructure, including trade processing, data centers, disaster recovery systems, and wide area networks, as well as market data servers, which constantly broadcast news, quotes, analytics, and other important information to the desktop computers of its financial advisors. Stifel contracts with other vendors to produce, batch, and mail its confirmations and customer reports. Stifel is dependent on its technology providers to manage and monitor those functions. A disruption of any of the outsourced services would be out of Stifel s control and could negatively impact its business. Stifel has experienced disruptions on occasion, none of which has been material to its operations and results. However, there can be no guarantee that future disruptions with these providers will not occur.

Stifel also faces the risk of operational failure, termination or capacity constraints of any of the clearing agents, exchanges, clearing houses or other financial intermediaries it uses to facilitate its securities transactions. Any such failure or termination could adversely affect Stifel s ability to effect transactions and to manage its exposure to risk.

Stifel s operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Although Stifel takes protective measures and endeavor to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could have a security impact. If one or more of such events occur, this could jeopardize Stifel s or its clients or counterparties confidential and other information processed, stored in and transmitted through its computer systems and networks, or otherwise cause interruptions or malfunctions in Stifel s, its clients , its counterparties or third parties operations which could result in significant losses or reputational damage. Stifel may be required to expend significant additional resources to modify its protective measures, to investigate and remediate vulnerabilities or other exposures or to make required notifications, and Stifel may be subject to litigation and financial losses that are either not insured or not fully covered through any insurance maintained by Stifel.

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Stifel may suffer losses if its reputation is harmed.

Stifel s ability to attract and retain customers and employees may be adversely affected to the extent its reputation is damaged. If Stifel fails to deal with, or appears to fail to deal with, various issues that may give rise to reputational risk, Stifel could harm its business prospects. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, ethical issues, money-laundering, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in Stifel s products. Failure to appropriately address these issues could also give rise to additional legal risk to Stifel, which could, in turn, increase the size and number of claims and damages asserted against Stifel or subject it to regulatory enforcement actions, fines, and penalties.

Stifel s current stockholders may experience dilution in their holdings if Stifel issues additional shares of common stock as a result of future offerings or acquisitions where Stifel uses its common stock.

As part of Stifel s business strategy, Stifel may continue to seek opportunities for growth through strategic acquisitions, in which Stifel may consider issuing equity securities as part of the consideration. Additionally, Stifel may obtain additional capital through the public or private sale of equity securities. If Stifel sells equity securities, the value of its common stock could experience dilution. Furthermore, these securities could have rights, preferences and privileges more favorable than those of the common stock. Moreover, if Stifel issues additional shares of common stock in connection with future acquisitions or as a result of a financing, investors ownership interest in Stifel will be diluted.

The issuance of any additional shares of common stock or securities convertible into or exchangeable for common stock or that represent the right to receive common stock, or the exercise of such securities, could be substantially dilutive to stockholders of Stifel s common stock. Holders of Stifel s shares of common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to Stifel s stockholders. The market price of Stifel s common stock could decline as a result of sales of shares of Stifel s common stock or securities convertible into or exchangeable for common stock.

Stifel is subject to an increased risk of legal proceedings, which may result in significant losses to Stifel that it cannot recover. Claimants in these proceedings may be customers, employees, or regulatory agencies, among others, seeking damages for mistakes, errors, negligence or acts of fraud by Stifel s employees.

Many aspects of Stifel s business subject it to substantial risks of potential liability to customers and to regulatory enforcement proceedings by state and federal regulators. Participants in the financial services industry face an increasing amount of litigation and arbitration proceedings. Dissatisfied clients regularly make claims against broker-dealers and their employees for, among others, negligence, fraud, unauthorized trading, suitability, churning, failure to supervise, breach of fiduciary duty, employee errors, intentional misconduct, unauthorized transactions by financial advisors or traders, improper recruiting activity, and failures in the processing of securities transactions. These types of claims expose Stifel to the risk of significant loss. Acts of fraud are difficult to detect and deter, and while Stifel believes its supervisory procedures are reasonably designed to detect and prevent violations of applicable laws, rules and regulations, Stifel cannot assure investors that its risk management procedures and controls will prevent losses from fraudulent activity. In its role as underwriter and selling agent, Stifel may be liable if there are material misstatements or omissions of material information in prospectuses and other communications regarding underwritten offerings of securities. At any point in time, the aggregate amount of existing claims against Stifel could be material. While Stifel does not expect the outcome of any existing claims against it to have a material adverse impact on its business, financial condition, or results of operations, Stifel cannot assure you that these types of proceedings will not materially and adversely affect Stifel. Stifel does not carry insurance that would cover payments regarding these liabilities, with the exception of fidelity coverage with respect to certain fraudulent acts of its employees. In addition, Stifel s by-laws provide for the indemnification of its officers, directors, and employees to the maximum extent permitted under Delaware law. In the future, Stifel may be the subject of indemnification assertions under these documents by its officers,

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directors or employees who have or may become defendants in litigation. These claims for indemnification may subject Stifel to substantial risks of potential liability. For a discussion of Stifel s legal matters (including ARS and OPBE litigation) and Stifel s approach to managing legal risk, see Item 3, Legal Proceedings in Stifel s Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on February 26, 2010 and Part II, Item 1, Legal Proceedings in Stifel s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed with the SEC on April 30, 2010.

In addition to the foregoing financial costs and risks associated with potential liability, the costs of defending litigation and claims has increased over the last several years. The amount of outside attorneys fees incurred in connection with the defense of litigation and claims could be substantial and might materially and adversely affect Stifel s results of operations as such fees occur. Securities class action litigation in particular is highly complex and can extend for a protracted period of time, thereby substantially increasing the costs incurred to resolve this litigation.

Misconduct by Stifel s employees or by the employees of its business partners could harm Stifel and is difficult to detect and prevent.

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and Stifel runs the risk that employee misconduct could occur at Stifel. For example, misconduct could involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm. It is not always possible to deter misconduct and the precautions Stifel takes to detect and prevent this activity may not be effective in all cases. Stifel s ability to detect and prevent misconduct by entities with which it does business may be even more limited. Stifel may suffer reputational harm for any misconduct by its employees or those entities with which it does business.

Provisions in Stifel s certificate of incorporation and bylaws and of Delaware law may prevent or delay an acquisition of Stifel, which could decrease the market value of Stifel s common stock.

Stifel s articles of incorporation and bylaws and Delaware law contain provisions that are intended to deter abusive takeover tactics by making them unacceptably expensive to prospective acquirors and to encourage prospective acquirors to negotiate with Stifel s board of directors rather than to attempt a hostile takeover. These provisions include giving the board of directors authority to issue, without further action or approval of the stockholders, additional shares of common stock to the public, thereby increasing the number of shares that would have to be acquired to effect a change in control of Stifel. Delaware law also imposes some restrictions on mergers and other business combinations between Stifel and any holder of 15% or more of its outstanding common stock. Stifel believes these provisions protect its stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with Stifel s board of directors and by providing Stifel s board of directors with more time to assess any acquisition proposal. These provisions are not intended to make Stifel immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that Stifel s board of directors determines is not in the best interests of Stifel and its stockholders.

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THE THOMAS WEISEL PARTNERS GROUP, INC. ANNUAL MEETING

Date, Time and Place; Attending the Annual Meeting

The Annual Meeting will take place on June 22, 2010, at One Montgomery Street, 35th Floor, San Francisco, California, commencing at 8:00 a.m., Pacific time. Check in will begin at 7:30 a.m., Pacific time, and you should allow ample time for check-in procedures.

You are entitled to attend the Annual Meeting only if you were a Thomas Weisel Partners stockholder or joint holder or a holder of exchangeable shares of TWP Acquisition Company (Canada), Inc. as of the close of business on April 30, 2010 or hold a valid proxy for the Annual Meeting. You should be prepared to present photo identification for admittance. In addition, if you are a stockholder of record, your name is subject to verification against the list of stockholders of record on the record date prior to being admitted to the meeting. If you are not a stockholder of record but hold shares through a broker or nominee (*i.e.*, in street name), you should be prepared to provide proof of beneficial ownership on the record date, such as your most recent account statement or similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above upon request, you will not be admitted to the Annual Meeting.

Instructions for attending the Annual Meeting if you hold exchangeable shares are included in the Notice to Exchangeable Shareholders that accompanies this proxy statement/prospectus.

Matters to be Considered

At the Annual Meeting, Thomas Weisel Partners stockholders will be asked to vote on the following proposals:

- To approve and adopt the merger agreement and approve the merger contemplated by the merger agreement;
- To approve the adjournment of the Annual Meeting, if necessary, for any purpose, including to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement and approve the merger at the time of the Annual Meeting;
- To elect eight directors, each to serve until the earliest of Thomas Weisel Partners 2011 annual meeting of stockholders, his or her removal or resignation or, if the merger is completed, the effective time of the merger;
- To ratify the appointment of Deloitte & Touche LLP as Thomas Weisel Partners independent registered accounting firm for 2010; and
- To conduct any other business that properly comes before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A. You are encouraged to read the merger agreement and the other information contained in this proxy statement/prospectus (including the documents incorporated by reference into this proxy statement/prospectus) carefully before deciding how to vote.

Record Date; Stock Entitled to Vote

Holders of record are entitled to vote (or, in the case of holders of exchangeable shares, direct the trustee to vote as described further below) only if you were a Thomas Weisel Partners stockholder or a holder of exchangeable shares of TWP Acquisition Company (Canada), Inc. as of the close of business on April 30, 2010, the record date, provided that such shares remain outstanding on the date of the meeting.

Each share of Thomas Weisel Partners common stock is entitled to one vote for each matter to be voted on.

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In addition, we have issued one share of Thomas Weisel Partners special voting preferred stock, par value $0.01 per share, through which the holders of the exchangeable shares issued by TWP Acquisition Company (Canada), Inc., may exercise voting rights. The Thomas Weisel Partners special voting preferred stock provides a mechanism for holders of exchangeable shares, which are intended to be substantially the voting equivalent of Thomas Weisel Partners common stock, to vote with Thomas Weisel Partners common stock. The share of Thomas Weisel Partners special voting preferred stock is entitled to one vote for each exchangeable share outstanding, excluding shares held by Thomas Weisel Partners or any person directly or indirectly controlled by or under common control with Thomas Weisel Partners, on all matters on which Thomas Weisel Partners common stock is entitled to vote. CIBC Mellon Trust Company, the trustee holder of Thomas Weisel Partners special voting preferred stock, has the right to cast a number of votes equal to the number of then-outstanding exchangeable shares. The trustee will only cast a number of votes equal to the number of exchangeable shares as to which it has received a voting instruction card from the owners of record of the exchangeable shares (other than Thomas Weisel Partners and any person directly or indirectly controlled by or under common control with Thomas Weisel Partners), as of the record date. Instructions for voting and revocation of voting instructions, as well as instructions for attending the Annual Meeting if you hold exchangeable shares, are included in the Notice to Exchangeable Shareholders that is being provided to holders of exchangeable shares along with this proxy statement/prospectus.

On April 30, 2010, there were 26,748,099 shares of Thomas Weisel Partners common stock outstanding held by approximately 124 stockholders of record and one share of Thomas Weisel Partners special voting preferred stock held by the trustee (representing exchangeable shares entitled to give voting instructions and therefore entitled to 6,183,121 votes).

Quorum

The holders of shares entitled to cast a majority of the total votes of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock on April 30, 2010, the record date, present in person or represented by proxy at the Annual Meeting and entitled to vote, will constitute a quorum for the transaction of business at the Annual Meeting. Withheld votes, abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum.

Vote Required

The following are the vote requirements for the various proposals:

Approval and Adoption of the Merger Agreement and Approval of the Merger: You may vote FOR, AGAINST or ABSTAIN with respect to the approval and adoption of the merger agreement and approval of the merger. To approve and adopt the merger agreement and approve the merger, the holders of a majority of the voting power of the outstanding shares of Thomas Weisel Partners common stock and Thomas Weisel Partners special voting preferred stock, voting together as a single class, must vote FOR the approval and adoption of the merger agreement and the approval of the merger. **Because approval is based on the affirmative vote of a majority of the combined voting power of the shares outstanding, your failure to vote or an abstention will have the same effect as a vote against approval and adoption of the merger agreement and against approval of the merger.**

Election of Directors. You may vote FOR or WITHHOLD with respect to any or all director nominees. The election of a director requires a plurality of the votes that are cast FOR the election of directors. Accordingly, the eight nominees receiving the highest number of FOR (among votes properly cast in person or by proxy and entitled to vote) will be elected. A properly executed proxy marked WITHHOLD with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, and because there are eight nominees for eight director positions, WITHHOLD votes will have no effect on the outcome of the vote for the election of directors.

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All Other Matters. You may vote FOR, AGAINST or ABSTAIN with respect to all other matters at the Annual Meeting. A majority of the votes cast FOR or AGAINST each other matter must be voted FOR such matter for it to pass. Abstentions are not treated as a vote FOR or AGAINST a proposal and will have no effect on the outcome of the vote for such proposal.

Abstentions

Abstentions are counted as present and entitled to vote for purposes of determining a quorum. For the proposal to approve and adopt the merger agreement and approve the merger, abstentions have the same effect as a vote against the merger. If you abstain from voting with respect to the other proposals, including the election of directors, the adjournment proposal and the proposal to ratify the appointment of the independent registered public accounting firm, you will effectively not vote on that matter at the meeting. Abstentions are not considered to be votes cast under the Thomas Weisel Partners bylaws or under the laws of Delaware (Thomas Weisel Partners state of incorporation) and will have no effect on the outcome of the vote for any proposals other than the proposal to approve and adopt the merger agreement and approve the merger.

Voting of Proxies by Holders of Record

If your shares are registered directly in your name with Thomas Weisel Partners transfer agent, you are considered the stockholder of record with respect to those shares and this proxy statement/prospectus is being sent directly to you by Thomas Weisel Partners. As a stockholder of record, you have the right to grant your proxy directly to Thomas Weisel Partners or to vote in person at the Annual Meeting. Thomas Weisel Partners has enclosed a proxy card for your use. As a stockholder of record, you may submit a proxy for your shares by using the toll-free number or the Internet website by following the instructions on your proxy card for using these quick, cost-effective and easy methods for submitting proxies. You also may submit a proxy in writing by simply filling out, signing and dating your proxy card and mailing it in the prepaid envelope included with this proxy statement/prospectus. If you submit a proxy by telephone or the Internet website, please do not return your proxy card by mail. You will need to follow the instructions when you submit a proxy using any of these methods to make sure your shares will be voted at the meeting.

If you hold shares through a broker or other nominee, you may instruct your broker or other nominee to vote your shares by following the instructions that the broker or nominee provides to you with these materials. See Shares Held in Street Name below.

You also may vote by submitting a ballot in person if you attend the Annual Meeting. However, we encourage you to submit a proxy by mail by completing your proxy card, by telephone or via the Internet even if you plan to attend the Annual Meeting. You will also need to present photo identification and comply with the other procedures described above in The Thomas Weisel Partners Annual Meeting Date, Time and Place; Attending the Annual Meeting on page 61. Giving a proxy will not affect your right to vote your Thomas Weisel Partners shares if you attend the Annual Meeting and want to vote in person.

Your vote is important. Accordingly, please submit your proxy by telephone, through the Internet or by mail, whether or not you plan to attend the Annual Meeting in person. Proxies must be received by 11:59 p.m., Eastern time, on June 21, 2010.

Holders of exchangeable shares should refer to the Notice to Exchangeable Shareholders that accompanies this proxy statement/prospectus, informing such holders of their rights with respect to directing the voting of the votes attached to the share of Thomas Weisel Partners special voting preferred stock and attending the Annual Meeting.

Shares Held in Street Name

If your shares are held in a brokerage account, bank account or by another nominee, you are considered the beneficial owner of shares held in street name, and this proxy statement/prospectus is being forwarded to you by your broker, bank or nominee together with a voting instruction card. As the beneficial owner, you have the right to direct your broker, bank or other nominee how to vote and are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, bank or nominee that holds your shares, giving you the right to vote the shares instead of the broker, bank or nominee holding your shares. Your broker, bank or nominee has enclosed voting instructions for your use in directing your broker, bank or nominee how to vote your shares.

If you do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. This is called a broker non-vote. In these cases, the broker can register your shares as being present at the meeting for purposes of determining the presence of a quorum but will not be able to vote on those matters for which specific authorization is required. Under the current rules of the NYSE, we believe that brokers do not have discretionary authority to vote on the proposal to approve and adopt the merger agreement and approve the merger or the election of directors, but that the ratification of the appointment of independent auditors is a routine matter on which brokers will be permitted to vote any un-voted shares. Accordingly, a broker non-vote will have the same effect as a vote against approval and adoption of the merger agreement and approval of the merger and a WITHHOLD vote for the election of directors, but will have no effect on whether the other proposals are approved. Because Thomas Weisel Partners LLC is affiliated with Thomas Weisel Partners, NYSE policy specifies that when Thomas Weisel Partners LLC votes on routine matters , it may do so only in the same proportion as all other shares of record are voted with respect to each proposal.

Revocability of Proxies

A proxy submitted through the Internet or by telephone may be revoked by (i) executing a later-dated proxy card that is received prior to 11:59 p.m., Eastern time, on June 21, 2010, (ii) subsequently submitting a new proxy through the Internet or by telephone prior to 11:59 p.m., Eastern time, on June 21, 2010, (iii) attending the Annual Meeting and voting in person or (iv) giving written notice to our Secretary and General Counsel at One Montgomery Street, 37th Floor, San Francisco, California 94104. A proxy submitted by proxy card may be revoked before the vote is cast by the designated proxy by (i) giving written notice to our Secretary and General Counsel at One Montgomery Street, 37th Floor, San Francisco, California 94104, (ii) subsequently submitting another proxy bearing a later date or (iii) attending the Annual Meeting and voting in person. Attending the Annual Meeting without voting will not revoke your previously submitted proxy.

Thomas Weisel Partners stockholders whose shares are held in the name of a broker or nominee may change their votes by submitting new voting instructions to their brokers or nominees. Those Thomas Weisel Partners stockholders may not vote their shares in person at the Annual Meeting unless they obtain a signed proxy from the stockholder of record giving them the right to vote their shares.

Holders of exchangeable shares should refer to the Notice to Exchangeable Shareholders that accompanies this proxy statement/prospectus, informing such holders of their rights with respect to directing the voting of the votes attached to the share of Thomas Weisel Partners special voting preferred stock.

Independent Election Inspector

We have retained BNY Mellon Stockholder Services to receive and tabulate the votes in connection with our Annual Meeting. We have also retained through BNY Mellon Stockholder Services an independent election inspector who will certify the election results and perform any other acts required by the Delaware General Corporation Law.

Solicitation of Proxies

This proxy statement/prospectus is furnished in connection with the solicitation of proxies by the Thomas Weisel Partners board of directors to be voted at the Annual Meeting.

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Thomas Weisel Partners is paying for costs associated with the preparation of the proxy statement/prospectus and related materials and solicitation of proxies from Thomas Weisel Partners stockholders and voting instructions from holders of exchangeable shares for the Annual Meeting. Although there are no formal agreements to do so, Thomas Weisel Partners will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for their reasonable expenses incurred in sending proxy materials to Thomas Weisel Partners stockholders and beneficial owners of Thomas Weisel Partners common stock and exchangeable shares in accordance with applicable rules. Thomas Weisel Partners has engaged BNY Mellon Stockholder Services to assist in the solicitation of proxies for the meeting and Thomas Weisel Partners estimates it will pay BNY Mellon Stockholder Services a fee of approximately $6,500. Thomas Weisel Partners has also agreed to reimburse BNY Mellon Stockholder Services for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify BNY Mellon Stockholder Services against certain losses, costs and expenses. In addition to solicitation by mail, Thomas Weisel Partners directors, officers and employees may solicit proxies in person, by telephone, by fax or by electronic or other means of communication, but they will not receive special compensation for such activities.

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PROPOSAL ONE: THE MERGER

The following is a discussion of the proposed merger and the merger agreement. This is a summary only and may not contain all of the information that is important to you. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A and is incorporated by reference herein. You are urged to read this entire proxy statement/prospectus, including the merger agreement and the documents incorporated by reference into this proxy statement/prospectus, for a more complete understanding of the merger.

Structure of the Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, Merger Sub will be merged with and into Thomas Weisel Partners, with Thomas Weisel Partners surviving the merger and becoming a wholly-owned subsidiary of Stifel. Upon completion of the merger, each share of Thomas Weisel Partners common stock issued and outstanding immediately prior to the effective time of the merger, except for shares of Thomas Weisel Partners common stock held directly and indirectly by Thomas Weisel Partners and Stifel (which will be canceled if the merger is approved and consummated), will be converted into the right to receive, subject to adjustment under limited circumstances as described below, 0.1364 shares of Stifel common stock. Other than possible adjustments as described in the next paragraph below, the exchange ratio of 0.1364 shares of Stifel common stock is fixed, which means that it will not change between now and the date of the merger, including as a result of a change in the trading price of Stifel common stock or Thomas Weisel Partners common stock or the operating and financial performance of either company. Therefore, the value of the shares of Stifel common stock received by Thomas Weisel Partners stockholders in the merger will depend on the market price of Stifel common stock at the time the merger is completed.

The exchange ratio will be adjusted if between signing of the merger agreement and the effective time of the merger the outstanding Stifel common stock or Thomas Weisel Partners common stock, or securities convertible or exchangeable into or exercisable into Stifel common stock or Thomas Weisel Partners common stock, is changed into a different number of shares or different class by reason of any distribution, reclassification, stock split (including a reverse split), stock dividend or distribution, recapitalization, merger, subdivision, issuer tender or exchange offer with a record date within such period, or any similar event occurs, in which case the exchange ratio will be adjusted to eliminate the effects of such event on the merger consideration.

Assuming that the holders of the exchangeable shares approve the Exchangeable Share Amendment, the exchangeable shares will not be converted into other securities as part of the merger. In that case, each exchangeable share will remain outstanding and become exchangeable for 0.1364 shares of Stifel common stock. In the event the Exchangeable Share Amendment is approved, at the effective time of the merger, the one outstanding share of Thomas Weisel Partners special voting preferred stock will be canceled and automatically converted into one share of Stifel special voting preferred stock. The one share of Stifel special voting preferred stock will entitle the holder to that number of votes equal to the number of shares of Stifel common stock issuable upon exchange of the exchangeable shares outstanding from time to time other than exchangeable shares held by Stifel or any person directly or indirectly controlled by or under common control of Stifel. Pursuant to the merger agreement, if the Exchangeable Share Amendment is not approved, Thomas Weisel Partners will take all actions necessary to (a) cause TWP Acquisition Company (Canada), Inc. to exercise its right to redeem all of the outstanding exchangeable shares or (b) acquire or cause TWP Holdings Company (Canada), ULC to acquire all of the outstanding exchangeable shares, and, as a result of the merger, holders of exchangeable shares would receive shares of Stifel common stock. For a further description of what holders of exchangeable shares will receive in the merger, see Annex C, entitled Supplemental Information for the Holders of Exchangeable Shares.

Background of the Merger

The Stifel board of directors, together with its senior management, continually reviews, considers and evaluates the securities industry and considers acquisitions on a strategic and opportunistic basis. Over the past several years, Stifel has grown substantially, primarily by completing and successfully integrating a number of acquisitions, including its acquisitions of the capital markets business of Legg Mason from Citigroup in December 2005; Ryan Beck, a full-service brokerage and investment banking firm, in February 2007; First Service Financial Company, now Stifel Bank & Trust, a St. Louis-based bank, in April 2007; Butler Wick, a privately-held broker-dealer, in December 2008; specified branches from the UBS Wealth Management Americas branch network from UBS Financial Services in the third and fourth quarters of 2009; and Missouri Valley Partners, a St. Louis based investment advisor serving institutional and individual clients, from First Banks in April 2009. The focus of these acquisitions has been to expand Stifel s client base, the range of financial services and products available to its clients and its geographic reach, all to develop and enhance Stifel s position as a premier middle-market focused investment bank.

Thomas Weisel Partners continually evaluates strategic opportunities to strengthen its business and to deliver value to its shareholders, in particular by seeking ways to diversify its business and expand its platform to provide opportunities for its investment banking professionals and a wider array of products and services for its clients. As part of this process, Thomas Weisel Partners acquired Westwind Capital, an independent Canadian investment banking boutique at the beginning of 2008 in order to expand geographically and to add important verticals in natural resources and energy.

In September 2009, Thomas W. Weisel, Thomas Weisel Partners Chairman and Chief Executive Officer, met with Ronald J. Kruszewski, Stifel s Chairman, President and Chief Executive Officer, during a dinner in San Francisco. At the meeting, Messrs. Kruszewski and Weisel discussed their respective firms platforms and business plans.

Over the course of the next several months, Mr. Weisel and Mr. Kruszewski spoke several times by telephone and met again in New York in early November 2009 accompanied by Lionel Conacher, Thomas Weisel Partners President and Chief Operating Officer, and Victor Nesi, a Senior Vice President of Stifel. During these meetings and conversations, the participants discussed the potential strategic and cultural alignment between the two firms as well as potential areas in which the two firms complement one another.

At a regularly scheduled Thomas Weisel Partners board meeting in San Francisco on December 8, 2010, Mr. Weisel and Mr. Conacher updated the Thomas Weisel Partners board as to the initial discussions with Stifel and the strategic rationale behind a possible transaction with Stifel. Mark Fisher, Thomas Weisel Partners General Counsel provided the members of the Thomas Weisel Partners Board with background material regarding Stifel following the December board meeting.

On February 26, 2010, at the suggestion of Mr. Weisel, Mr. Kruszewski met with Matthew Barger, Thomas Weisel Partners Lead Independent Director, and Mr. Weisel in Sun Valley Idaho. At that meeting, Messrs. Kruszewski, Weisel and Barger discussed Stifel s and Thomas Weisel Partners respective histories, business philosophies and cultures, as well as their strategic view of the future and the strategic value of a combination.

Throughout this period, Stifel reviewed selected materials, based on public information, relating to a potential strategic combination between Stifel and Thomas Weisel Partners.

On March 1, 2010, Stifel and Thomas Weisel Partners entered into a mutual confidentiality agreement.

During March, Shaugn Stanley, Thomas Weisel Partners Chief Administrative Officer, provided Stifel with summary financial information regarding Thomas Weisel Partners cost structure, compensation model, capitalization and balance sheet.

Mr. Kruszewski met with Mr. Weisel and an investment banking representative from Thomas Weisel Partners in San Francisco on March 22, 2010, at which time further details of a possible transaction were discussed, including the parties relative perspectives on valuation of the firms. At that meeting, Mr. Kruszewski

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presented a range for a possible exchange ratio for a potential combination of the firms. On that day, Stifel and Thomas Weisel Partners amended their confidentiality agreement to provide for mutual non-solicitation covenants. On the next day, Mr. Kruszewski met with Mr. Weisel and over the course of an afternoon met as well as with several members of Thomas Weisel Partners executive committee during which the cultural fit between the firms and their respective key employees was discussed as well as potential transaction structure issues.

Following these meetings, Mr. Kruszewski was invited to attend the quarterly dinner of Thomas Weisel Partners board of directors.

On March 23, 2010, at a regularly scheduled meeting of the Thomas Weisel Partners board of directors, management updated the Thomas Weisel Partners board on discussions with Stifel. Sullivan & Cromwell LLP, Thomas Weisel Partners outside counsel, discussed with the board of directors the legal standards applicable to the board s evaluation of Stifel s proposal and its actions in this context. Mr. Kruszewski was then invited to address the board and explain his view of the merits of the proposal. At that meeting, Mr. Kruszewski presented a range for a possible exchange ratio for a potential combination of the firms. Mr. Kruszewski answered questions from the Thomas Weisel Partners board. Thomas Weisel Partners board then met together with Sullivan & Cromwell LLP in executive sessions without management present to discuss the transaction. In executive session, the Board determined to authorize Thomas Weisel Partners management to move forward with discussions with Stifel in order to determine if an acceptable transaction could be reached and requested that Mr. Barger, along with Mr. Weisel oversee the discussions with Stifel based on the proposed exchange ratio range.

On April 1, 2010, Bryan Cave LLP, Stifel s outside counsel, distributed to Thomas Weisel Partners and its counsel, a draft merger agreement. The parties discussed the draft merger agreement over the period from April 2 to 4 following which Sullivan & Cromwell distributed a revised merger agreement reflecting Thomas Weisel Partners proposed changes. Bryan Cave provided a legal due diligence request list on April 3, 2010. During the weeks of April 5 and April 12, the parties exchanged due diligence materials and participated in due diligence meetings and continued to discuss and exchange drafts of definitive agreements as well as other transaction documents.

On April 5, 2010, the Stifel board met in person, with a portion attending telephonically. Mr. Kruszewski formally informed the board of a potential transaction with Thomas Weisel Partners. Mr. Kruszewski provided detailed background about Thomas Weisel Partners, including its significant investment banking business, particularly focusing on growth companies and in industries and sectors on which Stifel did not significantly focus. Further, he noted that Thomas Weisel Partners equity research, particularly in the energy, healthcare and technology sectors would be a complement to the equity research, sales and trading business of Stifel. Mr. Kruszewski also noted that there was very little overlap in each of these businesses. Financial information was reviewed and discussed, with the perceived potential for significant cost savings and other non-compensation synergies if a transaction was to be completed. Mr. Kruszewski explained that additional business and legal due diligence and financial analysis needed to be completed. The Stifel board management requested that management continue with its due diligence analysis.

On April 6, 2010, Thomas Weisel Partners engaged Houlihan Lokey to act as a financial advisor to Thomas Weisel Partners in connection with the proposed transaction.

While discussions regarding a proposed transaction with Stifel were ongoing, over the course of March and April 2010, at various times Mr. Weisel discussed with members of the compensation committee of the Thomas Weisel Partners board the need for additional incentives for senior management and key Thomas Weisel Partners employees, including equity incentives and revisions to existing incentive programs, all of which were in Mr. Weisel s view required independent of the completion of a transaction with Stifel. Specifically, Mr. Weisel and members of the compensation committee of the Thomas Weisel Partners board, discussed the challenges Thomas Weisel Partners faced retaining employees in light of recent departures and the current competitive market for talent. Mr. Weisel and members of the Compensation Committee of the Thomas Weisel Partners board also noted the effectiveness of the granting of key performer awards during the summer of 2008 by Thomas Weisel Partners as well as the apparent success enjoyed by certain competitors of Thomas Weisel Partners who had recently restructured their outstanding equity awards recently. The Compensation Committee met on April 22, 2010, and approved and recommended to the board of directors the following compensation agreements: (1) awards of up to 3,180,000 restricted stock units to senior management and key Thomas Weisel Partners employees in exchange for an agreement to extend their required notice to terminate employment with Thomas Weisel Partners and (2) an amendment to the structure of outstanding awards that waived any condition relating to continued employment services so long as the award recipient refrained from certain competitive and solicitation activities, both of which were adopted by the board of directors on April 22, 2010. No aspect of those compensation agreements was conditioned on a proposed transaction with Stifel.

On each of April 1, 2010, April 8, 2010 and April 15, 2010, the Thomas Weisel Partners board met telephonically to receive an update as to the current state of negotiations from Messrs. Weisel and Barger. During the April 15, 2010 board call, Mr. Weisel indicated that Mr. Kruszewski had proposed an exchange ratio of 0.1364 for Stifel stock to be received by Thomas Weisel Partners stockholders.

On April 15, 2010, Mr. Kruszewski informed the Stifel board of directors that he would like to call a special meeting to discuss the possible transaction with Thomas Weisel Partners in more specific terms. On April 16, 2010, Mr. Kruszewski scheduled special meetings of the Stifel board for April 23 and 24, 2010 to discuss the potential transaction and to conduct its regular quarterly meeting. Mr. Kruszewski also spoke telephonically with several board members about the upcoming meetings and scheduling.

On April 22, 2010, the Thomas Weisel Partners board met to discuss the terms and conditions of the merger agreement and related documentation, drafts of which were provided to the Thomas Weisel Partners board in advance of the meeting. Representatives from Sullivan & Cromwell LLP and Mr. Mark Fisher, the General Counsel of Thomas Weisel Partners, presented summaries of the agreements as well as a discussion of open issues remaining with respect to the draft documents. At this meeting, representatives from Houlihan Lokey discussed their preliminary financial analyses with respect to Thomas Weisel Partners and the proposed transaction with the Thomas Weisel Partners board. The Thomas Weisel Partners board, with the assistance of management and Thomas Weisel Partners legal and financial advisors, discussed the risks of the combination compared to the risks of continuing operations on a standalone basis. During the course of such discussions, management and Thomas Weisel Partners legal and financial advisors responded to numerous questions from the Thomas Weisel Partners board. Management discussed some of the steps that would follow execution of the definitive agreements if the transaction were to be approved, including the steps required to finalize communications plans to investors, employees, clients, suppliers and other constituencies.

The Stifel board met on April 23 and 24, 2010 in St. Louis, Missouri. On April 23, 2010, Mr. Weisel was invited to address the board and explain his view of the transaction and the merits of the proposed combination. During the course of the meeting, Mr. Weisel answered numerous questions from the Stifel board.

On April 24, 2010, the Stifel board reconvened to formally consider the transaction, at which meeting members of Stifel s senior management and its legal and financial advisors made various presentations about, and the Stifel board discussed, the potential merger. Representatives from Bryan Cave LLP reviewed the board s fiduciary duties in connection with the consideration of the proposed transaction and presented summaries of the terms of the merger agreement and other agreements proposed to be entered into in connection with the transaction. Sandler O Neill + Partners, L.P. rendered then delivered its oral opinion (subsequently confirmed in writing) that, as of April 24, 2010, the exchange ratio in the merger is fair to Stifel from a financial point of view.

The Thomas Weisel Partners board met again telephonically on April 25, 2010 to consider the transaction with the assistance of management and Thomas Weisel Partners legal and financial advisors. Management summarized the terms of the transaction, and indicated the changes to the definitive agreements from the drafts distributed and discussed at length at the meeting held on April 22, 2010. Houlihan Lokey reviewed its updated financial analyses with respect to Thomas Weisel Partners and the proposed transaction and, thereafter, at the request of the Thomas Weisel Partners board delivered its oral opinion (which was subsequently confirmed in writing by delivery of Houlihan Lokey s written opinion dated the same date) to the effect that, as of April 25, 2010, the exchange ratio provided for in the proposed merger was fair to the holders of Shares from a financial point of view. Representatives from Sullivan & Cromwell LLP reviewed the board s fiduciary duties in connection with the consideration of the proposed transaction, and presented summaries of the terms of the merger agreement and other agreements proposed to be entered into in connection with the transaction. At the meeting, the Thomas Weisel Partners board also considered the fact that Thomas Weisel Partners senior management regularly communicated with public and private investment banking firms regarding potential business combination transactions, none of which led to any substantive discussions or was as attractive to Thomas Weisel Partners as a potential transaction with Stifel. In light of this, the Thomas Weisel Partners board determined that the proposed transaction with Stifel, together with the flexibility provided by the non-solicitation provisions in the merger agreement, would enable the board to exercise its fiduciary obligations.

After discussion, the Thomas Weisel Partners board unanimously (a) determined that the merger agreement and all related documents and exhibits thereto, in each case substantially in the form presented to the Thomas Weisel Partners board, and the merger are in the best interests of Thomas Weisel Partners and its stockholders, and (b) approved and declared advisable the merger agreement and the merger and the other transactions contemplated by the merger agreement and determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are fair to, and in the best interests of, Thomas Weisel Partners and its stockholders, and (c) recommended the approval by Thomas Weisel Partners stockholders of the merger pursuant to the terms of the merger agreement.

Mr. Kruszewski traveled to San Francisco on April 25, 2010 to execute the merger agreement and for the purpose of preparing to announce the transaction the following morning from San Francisco. Prior to executing the merger agreement, the Stifel board met telephonically on April 25, 2010. Following a discussion, Stifel s board of directors approved the merger agreement and the transactions contemplated by the merger agreement in substantially the form presented to the board on April 24, 2010.

Following the respective board meetings of Thomas Weisel Partners and Stifel, the parties executed the merger agreement.

On April 26, 2010, before the commencement of trading in the shares of Stifel and of Thomas Weisel Partners, both firms issued a joint press release announcing the execution of the merger agreement and the transaction.

Thomas Weisel Partners Reasons for the Merger

The board of directors, at the meeting described above on April 25, 2010, unanimously (i) determined that the merger agreement and the merger are fair to and in the best interests of Thomas Weisel Partners and its stockholders, (ii) approved, adopted and declared advisable the merger agreement, the merger and the other transactions contemplated by the merger agreement and authorized the execution and delivery of the merger agreement and (iii) resolved to recommend that the Thomas Weisel Partners stockholders approve and adopt the merger agreement and approve the merger and directed that such matter be submitted for consideration of the Thomas Weisel Partners stockholders at the Annual Meeting.

In reaching its decision to approve, adopt and declare advisable the merger agreement, the merger, and the other transactions contemplated by the merger agreement and to recommend that the Thomas Weisel Partners stockholders approve and adopt the merger agreement and approve the merger, the Thomas Weisel Partners

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board of directors consulted with Thomas Weisel Partners senior management team, as well as Thomas Weisel Partners internal and outside legal and financial advisors, and considered a number of factors, including the following material factors that the Thomas Weisel Partners board of directors viewed as supporting its decision to approve and declare advisable the merger agreement, the merger and the other transactions contemplated by the merger agreement and to unanimously recommend that the Thomas Weisel Partners stockholders ap