

# OUR HISTORY

What began as a single  
office in St. Louis ...



is today a **growing network**  
of offices across the United States.

# STIFEL



# IN 1890,

Benjamin Altheimer and Edward Rawlings forged a partnership for the purpose of “doing a general securities business,” sowing the seeds for what we know today as Stifel Nicolaus. Success was quick for the firm, despite the fact that the business was started during a tumultuous period when many of the country’s banks and businesses were failing. Seven years after Altheimer and Rawlings formed their



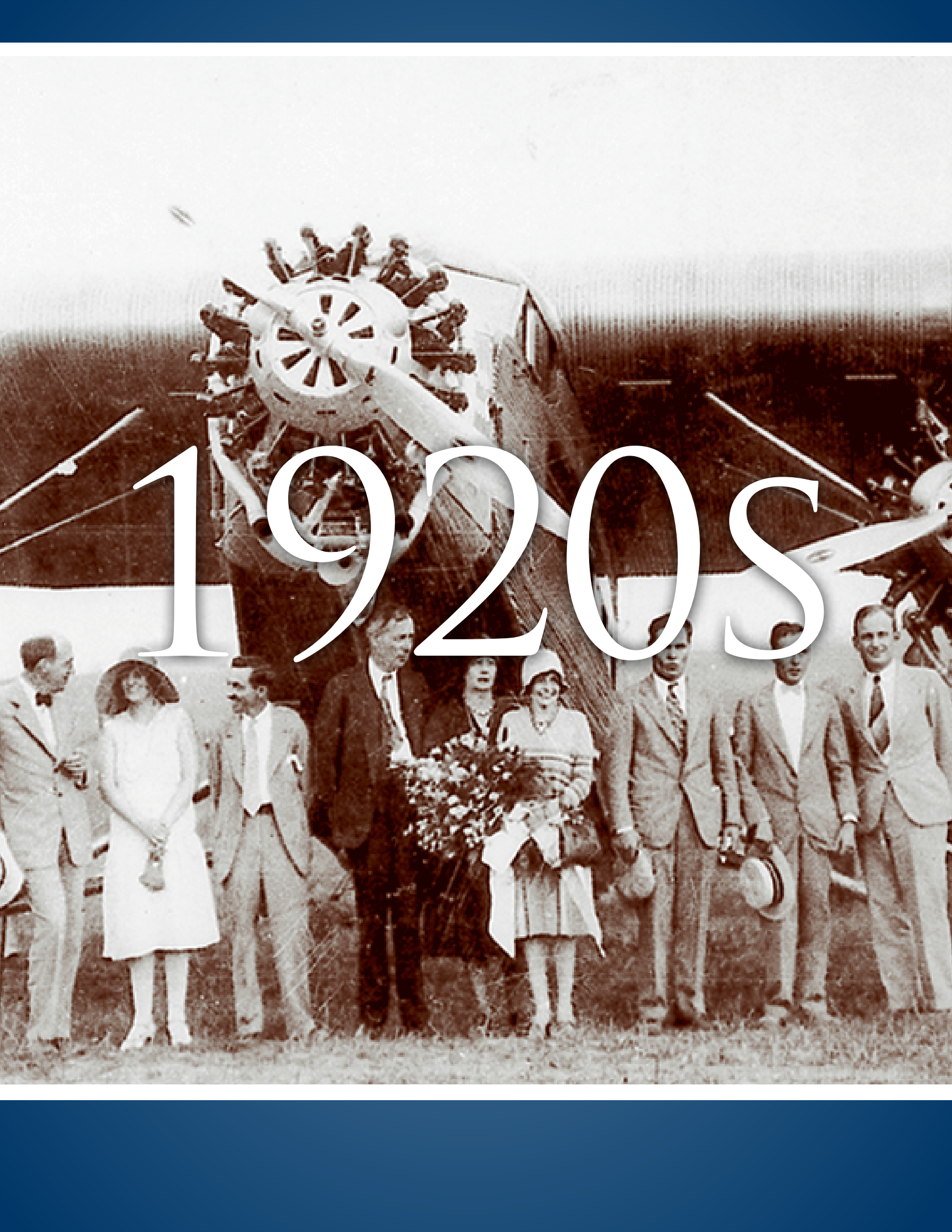
Herman C. Stifel



Henry J. Nicolaus

partnership, Herman Charles Stifel was brought in as Treasurer. He would chart the firm’s success for the first 40 years of the 20<sup>th</sup> century with his simple, honest belief of “safeguarding the money of others as if it were your own.” That steadfast principle helped the firm, and its clients, successfully navigate early challenges and even guides us today.

Henry J. Nicolaus and his son, Louis J. Nicolaus, joined the company in 1910. In 1917, the firm was named Stifel Investment Company, and in 1923, it was renamed Stifel, Nicolaus Investment Company.



1920s



## 1920s

Arnold G. Stifel, son of Herman C. Stifel, also joined the firm. Arnold Stifel brought high visibility to the firm through his strong political ties and friendships with historic personalities, such as Herbert Hoover. He had a belief in long-term business relationships that continues to characterize Stifel Nicolaus today.

The younger Stifel again brought well-deserved publicity and business to the firm by participating in the first commercial airline flight from St. Louis to Chicago in 1928.



Arnold G. Stifel

With the stock market nearing its peak, Stifel Nicolaus roared to success in the '20s. A staunch supporter of the city of its birth, the firm provided financing and innovative underwriting activities for many of St. Louis' leading companies, including A.E. Staley, Emerson Electric, Scullin Steel, and St. Louis Car. Other successes boosted the firm. For example, Stifel Nicolaus arranged a \$33 million refunding loan for Bolivia in 1929, becoming

the first North American firm not located in New York to provide underwriting activities on behalf of a South American country.

When Black Tuesday signaled an end to the Roaring '20s, Stifel Nicolaus stood strong



Louis J. Nicolaus

in an industry that saw dozens of competitors fall victim to the difficulties of the Depression. Stifel Nicolaus had met the challenges of the time by responding with innovative

financing projects and techniques.

A knack of picking winners also became apparent during the decade. For instance, Stifel Nicolaus was the driving force in gaining financing for a company called Marland Oil, in Ponca City, Oklahoma. Marland later merged with Continental Oil — which ultimately became Conoco.

“... Stifel Nicolaus **stood strong** in an industry that saw dozens of competitors fall victim to the difficulties of the Depression.”

# 1930s & 40s

MIDWEST STOCK EXCHANGE  
ORGANIZED 1882

AN ASSOCIATION OF BROKERS WHOSE  
OBJECT IS TO ESTABLISH AND CONDUCT  
A MARKET FOR LISTED SECURITIES WHERE  
HIGH STANDARDS OF COMMERCIAL HONOR  
AND INTEGRITY ARE MAINTAINED AND JUST  
AND EQUITABLE PRINCIPLES OF TRADE AND  
BUSINESS PREVAIL.

THIS CERTIFICATE OF MEMBERSHIP IS ISSUED TO

JOHN W. BUNN

OF  
COMPANY, INCORPORATED

## 1930s & '40s

Innovation indeed was evident in 1930, when trying times for St. Louis required even greater creative response. Stifel Nicolaus succeeded by proposing the formation of a financing company to purchase necessary properties needed for improvement projects in the city. The firm was praised for its new ideas and its civic spirit and leadership.

Perhaps the most poignant indicator of the firm's optimism and success during the economically depressed '30s was the opening of its first branch office in Chicago, thus helping the Stifel family grow, as the firm established a presence in another major U.S. city.

Change came suddenly when Herman Stifel's death marked the beginning of the '40s, and in January of 1941, Arnold Stifel resigned. Louis Nicolaus was appointed chairman. Though the events closed a significant chapter in the firm's history, the legacy left by the Stifels is a lasting one.

Soon the firm would celebrate its 50<sup>th</sup> anniversary, along with the formation of the Midwest Stock Exchange. With its large number of specialist "books" and membership on the Board of Directors, Stifel Nicolaus played an important role in the prosperity of the Midwest Stock Exchange, the forerunner to the Chicago Stock Exchange and now the third largest exchange in the world.

“... Stifel Nicolaus played an important role in the prosperity of the Midwest Stock Exchange, the forerunner to the Chicago Stock Exchange and now the third largest exchange in the world.”





# 1950s & '60s



## 1950s & '60s

While maintaining an active retail brokerage for individual investors, the firm also became a pioneer in municipal underwriting. Recognizing growth opportunities in the automobile industry and envisioning a profitable role for investment bankers in financing for turnpikes and bridges (previously dominated by the government), Stifel Nicolaus' reputation grew substantially. Municipal projects included financing turnpikes in Pennsylvania, Connecticut, Massachusetts, Kansas, Kentucky, and Maine. The firm's innovative and impressive municipal projects also included the Mackinac Bridge in Michigan, which opened to traffic on November 1, 1957.

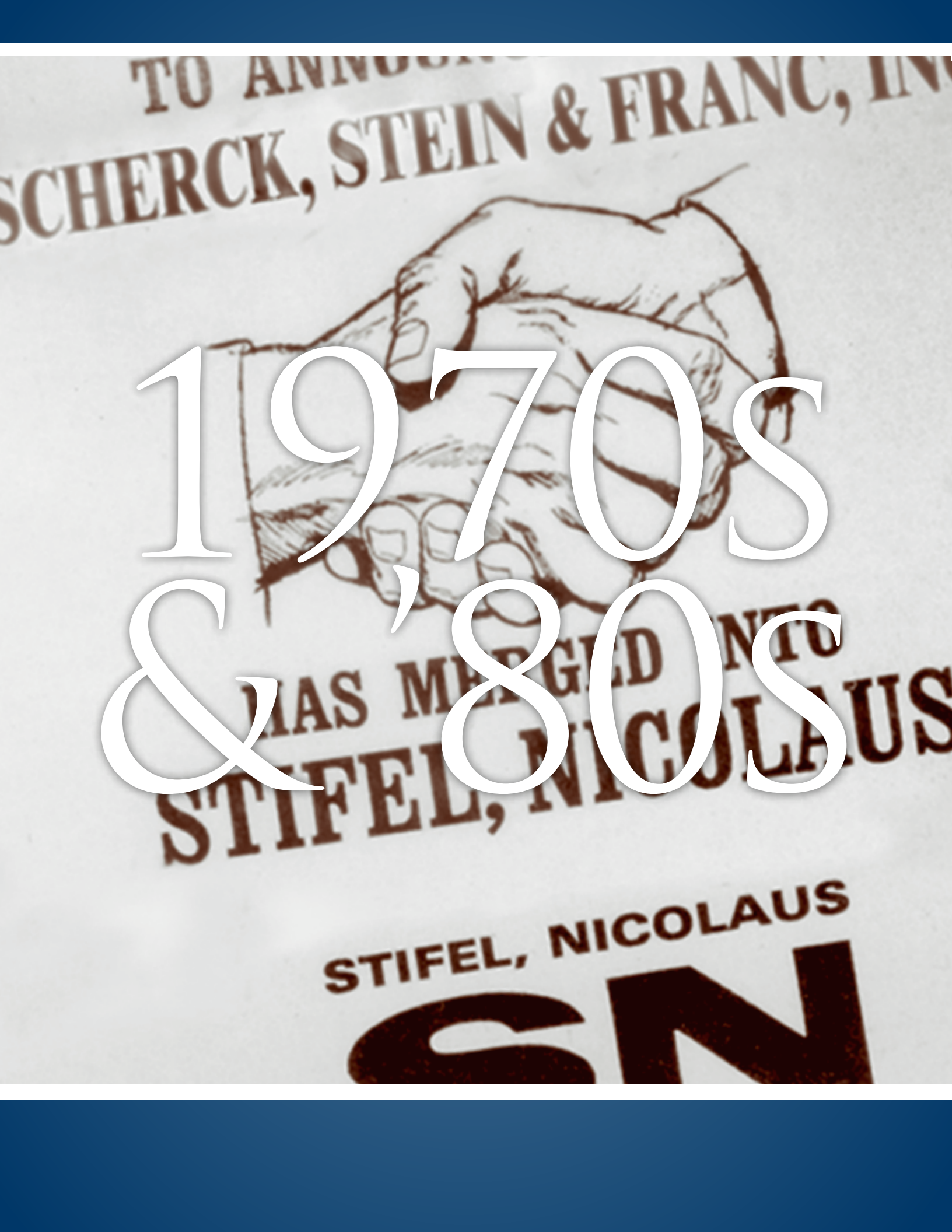
The '50s also were witness to a significant milestone: On October 3, 1958, Stifel

Nicolaus was admitted to membership on the New York Stock Exchange.

The '60s included the 75<sup>th</sup> anniversary of the firm, which now was strengthening its regional presence by expanding into a number of new states. When air travel gained in popularity in the 1950s, engineers and investment bankers rekindled relationships, and Stifel Nicolaus became a forerunner in providing revenue bond financing for airport improvements. With its strong Chicago presence and tradition of service dating back to the 1930s, Stifel Nicolaus was selected to underwrite \$25 million in O'Hare Airport bonds in 1961.

Soon, it was time again for the firm to defy the difficulties of the industry. The late '60s were mercurial times for securities firms, especially following the industry's "paper jam" in 1968. As technology failed to meet demands, half the industry dropped out or merged. Stifel Nicolaus again survived and prospered.





TO ANNOUNCE  
SCHERCK, STEIN & FRANC, INC.



1970s  
& 80s

HAS MERGED INTO  
STIFEL, NICOLAUS

STIFEL, NICOLAUS  
SN

## 1970s & '80s

Between the years 1972 and 1982, another 50 percent of the industry dropped out. Stifel Nicolaus, however, was growing again. In the early '70s, the firm grew from 13 offices to 23 offices in a territory spanning from Mount Vernon, Ohio, on the east, Denver on the west, Milwaukee on the north, and Memphis on the south.

The firm's associates were benefactors of the company's innovation too. In the '70s, Stifel Nicolaus instituted one of the first Employee Stock

Ownership Plans. The firm earlier was a pioneer in employee benefits in 1954, when it established one of the first profit sharing plans.

In 1976, George H. (Bert) Walker III joined the Stifel Nicolaus family to head up corporate finance. A man of charisma and integrity, Walker had a strong presence in the St. Louis



George H. Walker III

community, as he had previously held the positions of senior vice president and director at G.H. Walker, Laird, which was the successor to G.H. Walker & Co., founded by his grandfather in 1900. In 1979, Walker was elected president and chief executive officer of Stifel Nicolaus, and he was appointed chairman in 1982.

Under Walker's leadership during the '80s, Stifel Nicolaus again more than doubled its number of offices and became a publicly owned corporation. The firm renamed its holding company Stifel Financial Corp. and, in July of 1983, offered its own stock to the public for the first time.

The offering came on the heels of several important acquisitions. The acquisition of Altorfer, Podesta and Woolard in 1981 provided a broader base of Stifel's Chicago presence. In 1982, the firm's presence in Chicago grew even stronger when it acquired Bacon Whipple. Established in 1926, Bacon Whipple was long regarded as one of the dominant regional firms headquartered in Chicago, and now Stifel Nicolaus was a major force in the Windy City.

*Bacon, Whipple & Co.*  
135 SO. LA SALLE ST.  
CHICAGO 3

ONE WALL STREET  
NEW YORK 5

MEMBERS  
NEW YORK STOCK EXCHANGE  
MIDWEST STOCK



Also during Walker's helm as Chairman, Stifel acquired Hendrick Urgo, a Chicago private banking firm, in 1983. During this same year, the firm underwent further restructuring at the corporate headquarters in St. Louis. Under Walker's leadership, Stifel became increasingly recognized as a growing force in the national underwriting business and in bringing companies public.

In 1985, Stifel Nicolaus announced the largest merger ever involving two St. Louis brokerage firms when it acquired Scherck, Stein & Franc, Inc. Elliot H. Stein, chairman of Scherck, Stein & Franc, became chairman of Stifel Financial Corp. until 1988, when Walker resumed the position.



Elliot H. Stein

In the closing years of the '80s, Stifel Nicolaus was strengthened with the acquisition of certain assets of Rowland, Simon & Co. L.P. With its acquisition of Rowland, Simon & Co., Stifel Nicolaus significantly increased its large market share in St. Louis. The completion of the acquisition also brought to Stifel Nicolaus productive offices in the major southern and central Illinois communities of Belleville, Alton, Decatur, and Mattoon.


A long-time supporter of various civic and charitable organizations in the St. Louis region, Walker broadened his dedication to public service by entering the international scene in 2003, when he was nominated by President George W. Bush to serve as Ambassador to Hungary.

“In the closing years of the '80s, Stifel Nicolaus was strengthened with the acquisition of certain assets.”



Between the years 1972 and 1982,  
another **50 percent** of the  
industry **dropped out.**

Stifel Nicolaus, however, was growing again.  
In the early '70s, the firm grew from 13 offices  
to 23 offices in a territory spanning from Mount  
Vernon, Ohio, on the east, Denver on the  
west, Milwaukee on the north, and Memphis  
on the south.



# 1990s





## 1990s

The 1990s began with Stifel Nicolaus celebrating its 100th anniversary. The final decade of the 20th century marked a new era of technology, modernization, and commitment to success for both clients and the firm.

With the emergence of the Internet, the '90s provided new opportunities for Stifel. In 1996, Stifel established its presence on the World Wide Web ([www.stifel.com](http://www.stifel.com)), providing clients with real-time account information



Ronald J. Kruszewski

as well as valuable tools and resources. And in 1998, the firm received recognition for its implementation of industry-leading computer technology, providing associates and clients the most immediate market data and the flexibility to use that information.

### **Leading the Firm Into the 21<sup>st</sup> Century**

As technology was changing the face of business in the 1990s, Ronald J. Kruszewski, who joined the firm in 1997 as president and chief executive officer, stood poised to lead Stifel into the new millennium. Kruszewski held extensive experience in the investment banking and brokerage industries and had advised several financial institutions on strategic initiatives. His innovative spirit and fresh perspective have helped bring about dramatic changes to the firm.

In 2001, Kruszewski accepted the chairman's gavel. With a new management team in place, Stifel Nicolaus' Private Client Group nearly doubled in size over a five-year period, in number of financial advisors as well as number of offices, allowing Stifel to become a well-known institution in a number of Midwestern states. This substantial growth can be attributed to Stifel's core business philosophy.

### **A Simple Strategy for Complex Times**

Stifel's clear and focused "Of Choice" strategy helped it avoid the muddled vision that many other investment firms were experiencing in the late 1990s and clearly defined the firm to clients, associates, and shareholders. The objective of the "Of Choice" strategy is to become the Firm of Choice for employees, the Advisor of Choice for clients, and the Investment of Choice for shareholders. This message, which now serves as a mission statement and foundation for the firm's core beliefs, can be explained further:



**To Our Associates** – Current and future, our commitment is to provide an entrepreneurial environment that encourages unconfined, long-term thinking. We seek to reward hard-working team players that devote their energy and attention to client needs. At work, at home, and in the communities, we seek to be the Firm of Choice.

**To Our Clients** – Individual, institutional, corporate, and municipal, our commitment is to listen and consistently deliver innovative financial solutions. Putting the welfare of clients and community first, we strive to be the Advisor of Choice in the industry. Pursuit of excellence and a desire to exceed clients' expectations are the values that empower our Company to achieve this status.

**To Our Shareholders** – Small and large, our commitment is to create value and maximize your return on investment through all market cycles. By achieving the status of Firm of Choice for our professionals and Advisor of Choice for our clients, we are able to deliver value to our shareholders as their Investment of Choice.

### An Organization Lead by Clients

Another unique philosophy that helped ensure the future success of Stifel Nicolaus was a new and different type of organizational chart, one that placed clients at the top. At Stifel Nicolaus, it is firmly believed that it is the clients, and those individuals who most closely serve them, who determine the ultimate success of a firm. Therefore, following the firm's clients at the top of the organizational chart are the associates with the strongest relationships to them.

In the 1990s, as many investment firms were consolidating and becoming impersonal and bureaucratic, Stifel Nicolaus maintained its personal approach, offering each and every client dedicated, individual service, no matter what their account size or net worth. During the bear market of the early 2000s, Stifel Nicolaus managed to continue to grow through the addition of new offices and new associates, a task that would be envied by some of the largest firms on Wall Street that, during the same time period, were cutting staff and closing low-producing branch offices.

Because of the success Stifel Nicolaus experienced in the 1990s, associates of the firm were drawn, by a sense of pride and faith in the firm, to take on a substantial percentage of the firm's ownership. As Stifel continues to grow, the percentage of associates who are major shareholders of the firm continues to grow as well.



“Because of the success Stifel Nicolaus experienced in the 1990s, associates of the firm were drawn, by a sense of **pride and faith in the firm**, to take on a substantial percentage of the firm's ownership.”





2000s

## 2000s

### Growth Through Mergers

Stifel has successfully leveraged its “Of Choice” strategy, which has made it very attractive to potential partners. Much of Stifel’s growth in the 1990s and 2000s has been fueled by a series of acquisitions that have significantly increased the firm’s size and scope.

In 2000, Stifel expanded further into the Rocky Mountain Region with the completion of a key merger with Hanifen, Imhoff Inc., a leading underwriter in Colorado. This merger added resources in public finance, institutional fixed income sales, and competitive underwriting and trading.

In 2005, Stifel completed the largest acquisition in its history with the addition of the Legg Mason Capital Markets business (“LM Capital Markets”) from Citigroup Inc. This transaction effectively doubled the company’s size and increased its footprint while significantly enhancing its capabilities. The LM Capital Markets business acquired by Stifel included investment banking, equity and fixed income research, equity sales and trading, and taxable fixed income sales and trading. Combined with Stifel’s existing resources, these assets gave Stifel substantial research and capital market

capabilities and transformed the company from a regional firm to a national one.

In an acquisition of this magnitude, retaining key talent is of the utmost importance, and as a testament to the strength of Stifel’s “Of Choice” philosophy, over 95% of the managing directors from LM Capital Markets signed on to join the firm and took on substantial equity interests in the company.

Along with the successful integration of LM Capital Markets’ systems and associates, 2006 brought the acquisition of the Private Client Group of Minneapolis-based Miller Johnson Steichen Kinnard, Inc., a deal which added over 50 new financial advisors to the firm and strengthened Stifel’s presence in the upper Midwest.

Not content to rest on its laurels, Stifel continued to recognize and seize opportunities for growth. In 2007, the acquisition of Ryan Beck & Co. from BankAtlantic Bancorp, Inc. significantly increased Stifel’s presence along the eastern seaboard, both in terms of number of financial advisors and client assets under management.

“Much of **Stifel’s growth** in the 1990s and 2000s has been fueled by a series of acquisitions that have significantly increased the firm’s size and scope.”

But Stifel's growth in 2007 was not limited exclusively to the east coast. The firm began to make inroads on the west coast as well. Stifel opened several Private Client Group offices in the state of California and eventually branched out across the entire West Coast.

2007 also saw the firm buck an industry trend with the purchase of FirstService Bank, which was renamed Stifel Bank & Trust. With the added resources of Stifel Bank & Trust, Stifel is now able to provide its clients with a full range of banking services, making it a one-stop financial services provider.

In December 2008, Stifel acquired Butler Wick & Company, Inc. from United Community Financial Corp, further expanding the Ohio Valley Region. This was followed by Stifel's acquisition of 56 branches from the UBS Wealth Management Americas branch network over the course of 2009.

In April 2010, Stifel acquired Missouri Valley Partners, one of the largest St. Louis-based SEC registered investment advisors.

In July 2010, Stifel completed its acquisition of Thomas Weisel Partners Group, Inc., furthering Stifel's mission of building the premier middle-market investment bank with significantly enhanced investment banking, research,

and wealth management capabilities. This combination created an enterprise with powerful attributes, including:

- One of the largest U.S. equity research platforms, with more than 1,100 companies under coverage. Stifel's equity research group ranked #2 in the tenth annual FT/StarMine World's Top Analysts Survey.
- More than 250 investment banking professionals providing debt, equity and equity-linked offerings, private placements, and strategic advisory services.
- Market making in over 3,000 U.S. domestic equities.
- Expanded institutional equity business both domestically and internationally.

Ronald J. Kruszewski and Thomas W. Weisel are Co-Chairmen of the Board of Stifel Financial Corp., and Kruszewski remains President and CEO of Stifel Financial. The combined company operates under the Stifel Financial Corp. name, with the investment banking platform operating under the Stifel Nicolaus Weisel name.

In July 2011, Stifel announced an agreement to acquire Stone & Youngberg LLC, a leading financial firm specializing in municipal finance and fixed income securities.



“...we will continue  
to uniquely position  
ourselves as the  
“Firm of  
Choice”  
for an ever growing  
number of investors.”

— Ronald J. Kruszewski

### Future Development

Now in its second century of serving clients, Stifel Nicolaus continues to grow and evolve, offering the latest resources, products, and services available in the industry. By developing state-of-the-art technology, Stifel provides its associates with the tools necessary to help investors reach their goals. For example, the introduction of a web-based platform in 2002 provided Stifel financial advisors access to specialized data regarding their client base, targeted research querying, productivity tracking, account performance monitoring, and much more — all valuable tools in helping their clients succeed.

As the trend for consolidation in the investment industry continues, many of Stifel's competitors are merging into ever-larger multi-national financial services providers. This evolution and progression of the industry has left many investors feeling neglected and disappointed. However, by focusing on each individual client, Stifel Nicolaus remains dedicated to preserving Herman Stifel's credo of "safeguarding the money of others as if it were your own" and continuing to provide investors with personalized, committed service.

“Stifel Nicolaus remains dedicated to preserving Herman Stifel’s credo of “safeguarding the money of others as if it were your own.”

“Thanks to several strategic acquisitions over the past decade,

Stifel is  
even better  
prepared

to meet the unique needs of  
today’s investor.”

Now in its  
second century  
of serving clients,  
Stifel continues to grow  
and evolve, offering the  
latest resources, products,  
and services available in the  
industry.



Herman C. Stifel  
Founder



Henry J. Nicolaus  
Founder



Arnold G. Stifel  
Chairman  
1933-1941



Louis J. Nicolaus  
Chairman  
1941-1971



George A. Newton  
Chairman  
1972-1982



George H. Walker III  
Chairman  
1982-2001



Ronald J. Kruszewski  
Chairman  
2001-Present



Thomas W. Weisel  
Co-Chairman  
2010-Present



## STIFEL SERVICES

### Annuities

Variable, Immediate, and Fixed

### Asset Allocation

### Cash Management (Stifel Prestige® Accounts)

Check Writing

Debit MasterCard®

Bill Payment Services

Stifel @ccess (Online account access)

### College Planning

529 College Savings Plans

Education Savings Accounts

### Common Stocks

### Consulting Services (Fee-Based Programs)

### Corporate Executive Services

Cashless Stock Option Exercise

Control and Restricted Stock Transactions

### Corporate Finance

### Equity Line of Credit

### Exchange Traded Funds and Notes

### Financial Planning

### Fixed Income Investments

Certificates of Deposit

Collateralized Mortgage Obligations (CMOs)

Corporate Bonds

Government and Agency Securities

Municipal Bonds

### Insurance

Business Owner Needs

Disability Insurance (Individual and Group)

Life Insurance (Individual and Business Policies)

Long-Term Care Insurance

### IRAs

Traditional, Roth, and Rollovers

### Managed Money

### Money Market Funds

### Mutual Funds

### Options

### Preferred Stocks

### Public Finance

### Research

### Retirement Planning

### Retirement Plans

401(k) Plans

Profit Sharing Plans

Money Purchase Plans

SEP IRAs

SIMPLE IRAs

Defined Benefit Plans

### Syndicate Offerings

### Trust and Estate Planning

### Unit Investment Trusts



STIFEL, NICOLAUS & COMPANY, INCORPORATED

*Investment Services Since 1890*

ONE FINANCIAL PLAZA | 501 NORTH BROADWAY  
ST. LOUIS, MISSOURI 63102 | (314) 342-2000  
MEMBER SIPC AND NYSE | [WWW.STIFEL.COM](http://WWW.STIFEL.COM)