

Stifel Financial *News*

One Financial Plaza
501 North Broadway
St. Louis, Missouri 63102
(314) 342-2000

For further information contact:

Tom Prince

General Counsel

(314) 342-4068

For Immediate Release

St. Louis, Missouri, February 21, 2002 - Stifel Financial Corp. (SF-NYSE) today announced that its principal subsidiary, Stifel, Nicolaus & Company, Incorporated ("Stifel"), paid \$1.8 million to the Internal Revenue Service ("IRS") to settle matters related to certain municipal bonds underwritten in the nineties. Stifel indicated that the amount paid was fully reserved and will not impact the company's 2002 first quarter results. In April of 2000, an industry-wide settlement of similar matters involving more than 20 underwriters and 3,700 transactions resulted in a payment to the U. S. Treasury of approximately \$150 million.

Stifel General Counsel, Tom Prince said, "We initially contacted the IRS to resolve certain matters, primarily yield-burning, relating to our former Oklahoma operations, and the \$1.8 million paid today to the United States Treasury relates to those former activities." Prince further said, "The agreements with the IRS, in which we did not admit any wrongdoing, cover 63 advance refunding transactions for which Stifel acted as senior managing underwriter from 1990 to 1999. Most importantly, we were able to protect the tax exempt status of our clients' bonds."

Stifel Financial Corp. is a financial services holding company whose subsidiaries are engaged in general securities brokerage, investment banking, and money management with 76 locations in 17 states, primarily in the Midwest. To learn more about Stifel, please visit the Company's web site at www.stifel.com.