Stifel Nicolaus NEWS

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FOR IMMEDIATE RELEASE

TAX PACKAGE IS GREAT NEWS FOR INVESTORS

ST. LOUIS, May 30, 2003 — Stifel, Nicolaus & Company, Incorporated, a regional, full-service brokerage and investment banking firm founded in 1890 and headquartered in St. Louis, Missouri, comments on the recent tax cuts President Bush signed into law earlier this week.

"At Stifel Nicolaus, we are extremely pleased to see an Act of this nature signed into law," said Ronald J. Kruszewski, Chairman and Chief Executive Officer. "The tax savings will be a major boost to our economy by creating more capital that companies can use to expand and create new jobs. For investors, the tax savings offer an opportunity to revisit their investment strategies for possible additional ways to benefit from this new tax law."

The Jobs and Growth Tax Relief Reconciliation Act of 2003 includes significant changes to taxes on dividends and capital gains, which will have an effect on many American investors.

Starting this year and continuing through 2008, the top rate on dividends drops dramatically, from 38.6 percent to 15 percent, while the top rate on most capital gains drops from 20 percent to 15 percent. For taxpayers in the 10-percent or 15-percent brackets, the rate on capital gains or dividends drops to five percent until 2007 and to zero in 2008.

The reductions in capital gains taxes apply only to gains occurring on or after May 6. However, the dividend tax reductions are retroactive for this tax year. Dividends received from January 1 on may be eligible for tax savings.

To be eligible for the capital gains tax cut, investors must have held on to the investment for more than one year. If they haven't, the gains are taxed at the same rate as income. Presently, dividends and interest are both taxed as ordinary income. The top marginal rate falls from 38.6 percent to 35 percent this year under the legislation the President signed.

Unless Congress acts, the rates on dividends and gains will revert in 2009 to where they stood in 2002. That means that dividends would be taxed at the same rate as income while capital gains on securities held for more than one year would be subject to the 20-percent levy.

To get the lower dividends rate, taxpayers need to have held the stock for more than 60 days out of the 120-day period beginning 60 days before the stock's "ex-dividend" date.

Interest from corporate and Treasury bonds, certificates of deposit, money market funds, and such will continue to be taxed as ordinary income.

Stifel Nicolaus urges investors to contact their investment professional and tax advisor to educate themselves about the changes enforced by this new law and to determine how the changes will affect them directly.

Stifel, Nicolaus & Company, Incorporated operates 82 offices in 15 states, mostly in the central United States. A full range of investments, including stocks, corporate and municipal bonds, mutual funds, annuities, insurance, options, and managed assets accounts are available through the firm. Stifel Nicolaus is the largest subsidiary of Stifel Financial Corp. and is a member of SIPC and listed on the New York Stock Exchange under the symbol "SF." To learn more about Stifel, please visit the company's web site at www.stifel.com.

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