STIFEL FINANCIAL CORP
Form 10-Q
November 09, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2011

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File No. 001-09305

STIFEL FINANCIAL CORP.

(Exact name of registrant as specified in its charter)

DELAWARE	**43-1273600**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
501North Broadway St. Louis, Missouri	**63102**
(Address of principal executive offices)	(Zip Code)

(314) 342-2000

(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

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: þ	Accelerated filer: o	Non-accelerated filer: o (Do not check if a smaller reporting company)	Smaller reporting company: o

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes o No þ

The number of shares outstanding of the registrant's common stock, $0.15 par value per share, as of the close of business on November 1, 2011, was 53,720,016, which includes exchangeable shares of TWP Acquisition Company (Canada), Inc., a wholly owned subsidiary of the registrant. These shares are exchangeable at any time into an aggregate of 172,242 shares of common stock of the registrant; entitle the holder to dividend and other rights substantially economically equivalent to those of a share of common stock; and, through a voting trust, entitle the holder to a vote on matters presented to common shareholders.

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ITEM 1. FINANCIAL STATEMENTS

STIFEL FINANCIAL CORP.
Consolidated Statements of Financial Condition

(in thousands)	September 30, 2011 (Unaudited)	December 31, 2010
Assets		
Cash and cash equivalents	$ 214,619	$ 253,529
Restricted cash	6,880	6,868
Cash segregated for regulatory purposes	26	6,023
Receivables:		
Brokerage clients, net	526,774	477,514
Brokers, dealers, and clearing organizations	235,950	247,707
Securities purchased under agreements to resell	121,004	123,617
Trading securities owned, at fair value (includes securities pledged of $354,997 and $272,172, respectively)	526,444	444,170
Available-for-sale securities, at fair value	1,312,784	1,012,714
Held-to-maturity securities, at amortized cost	159,132	52,640
Loans held for sale	114,452	86,344
Bank loans, net of allowance	568,293	389,742
Bank foreclosed assets held for sale	550	1,577
Investments	176,550	178,936
Fixed assets, net	84,643	71,498
Goodwill	309,519	301,919
Intangible assets, net	30,566	34,595
Loans and advances to financial advisors and other employees, net	170,203	181,357
Deferred tax assets, net	179,410	197,139
Other assets	204,565	145,226
Total Assets	$ 4,942,364	$ 4,213,115

See accompanying Notes to Consolidated Financial Statements.

STIFEL FINANCIAL CORP.
Consolidated Statements of Financial Condition (continued)

(in thousands, except share and per share amounts)	September 30, 2011 (Unaudited)	December 31, 2010
Liabilities and Shareholders' Equity		
Short-term borrowings from banks	$ 310,600	$ 109,600
Payables:		
Brokerage clients	241,849	212,642
Brokers, dealers, and clearing organizations	143,410	114,869
Drafts	45,377	73,248
Securities sold under agreements to repurchase	52,805	109,595
Bank deposits	2,120,763	1,623,568
Trading securities sold, but not yet purchased, at fair value	272,190	200,140
Accrued compensation	159,112	234,512
Accounts payable and accrued expenses	228,235	170,382
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	16,815	19,935
	3,673,656	2,950,991
Liabilities subordinated to claims of general creditors	6,957	8,241
Shareholders' Equity:		
Preferred stock - $1 par value; authorized 3,000,000 shares; none issued	—	—
Exchangeable common stock - $0.15 par value; issued 172,242 and 897,618 shares, respectively	26	135
Common stock - $0.15 par value; authorized 97,000,000 shares; issued 53,547,774 and 52,822,428 shares, respectively	8,032	7,923
Additional paid-in-capital	1,065,018	1,082,788
Retained earnings	259,816	232,415
Accumulated other comprehensive income/(loss)	(7,756)	381
	1,325,136	1,323,642
Treasury stock, at cost, 2,099,972 and 2,235,473 shares, respectively	(63,020)	(69,238)
Unearned employee stock ownership plan shares, at cost, 85,417 and 122,024 shares, respectively	(365)	(521)
	1,261,751	1,253,883
Total Liabilities and Shareholders' Equity	$ 4,942,364	$ 4,213,115

See accompanying Notes to Consolidated Financial Statements.

STIFEL FINANCIAL CORP.
Consolidated Statements of Operations
(Unaudited)

(in thousands, except per share amounts)	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Revenues:				
Commissions	$ 143,243	$ 96,986	$ 437,344	$ 305,655
Principal transactions	76,650	123,194	249,250	363,537
Asset management and service fees	58,253	50,876	172,914	136,117
Investment banking	37,673	51,656	143,509	127,129
Interest	24,161	17,718	64,246	47,019
Other income	540	3,656	11,352	9,358
Total revenues	340,520	344,086	1,078,615	988,815
Interest expense	6,306	3,698	18,931	8,388
Net revenues	334,214	340,388	1,059,684	980,427
Non-interest expenses:				
Compensation and benefits	210,573	395,936	671,678	819,085
Occupancy and equipment rental	30,914	29,559	89,962	81,012
Communications and office supplies	18,838	19,877	56,198	50,220
Commissions and floor brokerage	7,400	7,972	20,943	18,988
Other operating expenses	27,466	29,600	127,321	78,168
Total non-interest expenses	295,191	482,944	966,102	1,047,473
Income/(loss) before income tax expense/(benefit)	39,023	(142,556)	93,582	(67,046)
Provision for income taxes/(benefit)	16,719	(58,220)	36,464	(27,559)
Net income/(loss)	$ 22,304	$ (84,336)	$ 57,118	$ (39,487)
Earnings per common share:				
Basic	$ 0.43	$ (1.65)	$ 1.09	$ (0.82)
Diluted (1)	$ 0.35	$ (1.65)	$ 0.90	$ (0.82)
Weighted average number of common shares outstanding:				
Basic	52,367	51,201	52,610	47,865
Diluted	63,152	61,834	63,174	55,593

(1) In accordance with Topic 260, “Earnings Per Share,” earnings per diluted common share is calculated using the basic weighted average number of common shares outstanding in periods a loss is incurred.

See accompanying Notes to Consolidated Financial Statements.

STIFEL FINANCIAL CORP.
Consolidated Statements of Cash Flows
(Unaudited)

(in thousands)	Nine Months Ended September 30, 2011	2010
Operating Activities:		
Net income/(loss)	$ 57,118	$ (39,487)
Adjustments to reconcile net income/(loss) to net cash used in operating activities:		
Depreciation and amortization	19,124	17,965
Amortization of loans and advances to financial advisors and other employees	42,262	35,486
Amortization of premium on available-for-sale securities	9,201	5,349
Provision for loan losses and allowance for loans and advances to financial advisors and other employees	986	(916)
Amortization of intangible assets	3,588	3,480
Deferred income taxes	23,777	(60,586)
Stock-based compensation	19,562	183,602
Excess tax benefits from stock-based compensation	(25,188)	(14,280)
Gain on the sale of investments	(60)	(1,234)
Other, net	1,156	(5,881)
Decrease/(increase) in operating assets:		
Cash segregated for regulatory purposes and restricted cash	5,985	—
Receivables:		
Brokerage clients	(49,174)	(120,389)
Brokers, dealers and clearing organizations	11,757	73,327
Securities purchased under agreements to resell	2,613	(11,221)
Trading securities owned, including those pledged	(82,274)	(176,664)
Loans originated as mortgages held for sale	(638,596)	(761,075)
Proceeds from mortgages held for sale	608,853	715,151
Loans and advances to financial advisors and other employees	(30,265)	(29,362)
Other assets	(37,058)	32,851
Increase/(decrease) in operating liabilities:		
Payables:		
Brokerage clients	29,207	3,656
Brokers, dealers and clearing organizations	(63,977)	72,098
Drafts	(27,871)	40,923
Trading securities sold, but not yet purchased	72,050	(5,983)
Other liabilities and accrued expenses	(82,110)	(3,061)
Net cash used in operating activities	$ (129,334)	$ (46,251)

See accompanying Notes to Consolidated Financial Statements.

STIFEL FINANCIAL CORP.
Consolidated Statements of Cash Flows (continued)

	Nine Months Ended September 30,	
(in thousands)	2011	2010
Investing Activities:		
Proceeds from:		
Maturities, calls and principal paydowns on available-for sale securities	$ 535,499	$ 150,931
Maturities, calls and principal paydowns on held-to-maturity securities	800	—
Sale or maturity of investments	74,437	79,195
Sale of bank branch	—	13,905
Sale of bank foreclosed assets held for sale	808	2,096
Increase in bank loans, net	(178,275)	(27,531)
Payments for:		
Purchase of available-for-sale securities	(868,769)	(395,646)
Purchase of held-to-maturity securities	(80,115)	(42,931)
Purchase of investments	(71,991)	(98,794)
Purchase of fixed assets	(32,561)	(21,886)
Purchase of bank foreclosed assets held for sale	(225)	—
Acquisitions	—	(500)
Net cash used in investing activities	(620,392)	(341,161)
Financing Activities:		
Net proceeds from short-term borrowings from banks	201,000	116,300
Decrease in securities sold under agreements to repurchase	(56,790)	(23,588)
Increase in bank deposits, net	497,195	346,393
Increase in securities loaned	92,518	86,091
Excess tax benefits from stock-based compensation	25,188	14,280
Issuance of common stock		865
Repurchase of common stock	(48,505)	(91,769)
Reissuance of treasury stock	2,755	2,055
Extinguishment of senior notes	—	(23,000)
Payment of Federal Home Loan Bank advances	—	(2,000)
Extinguishment of subordinated debt	(1,284)	(1,840)
Net cash provided by financing activities	712,077	423,787
Effect of exchange rate changes on cash	(1,261)	8,689
(Decrease)/increase in cash and cash equivalents	(38,910)	45,064
Cash and cash equivalents at beginning of period	253,529	161,820
Cash and cash equivalents at end of period	$ 214,619	$ 206,884
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 18,880	$ 8,539
Cash paid for income taxes, net of refunds	$ 5,618	$ 51,896
Noncash investing and financing activities:		
Units, net of forfeitures	$ 119,530	$ 137,158
Issuance of common stock for acquisition of Thomas Weisel Partners Group, Inc.	$ —	$ 271,285

See accompanying Notes to Consolidated Financial Statements.

STIFEL FINANCIAL CORP.
Notes to Consolidated Financial Statements

NOTE 1 – Nature of Operations and Basis of Presentation

Nature of Operations

Stifel Financial Corp. (the "Parent"), through its wholly owned subsidiaries, principally Stifel, Nicolaus & Company, Incorporated ("Stifel Nicolaus"), Stifel Bank & Trust ("Stifel Bank"), Stifel Nicolaus Limited ("SN Ltd"), Century Securities Associates, Inc. ("CSA"), Stifel Nicolaus Canada, Inc. ("SN Canada"), Thomas Weisel Partners LLC ("TWP"), and Thomas Weisel Partners International Limited ("TWPIL"), is principally engaged in retail brokerage; securities trading; investment banking; investment advisory; retail, consumer, and commercial banking; and related financial services. Although we have offices throughout the United States, two Canadian cities, and three European cities, our major geographic area of concentration is in the Midwest and Mid-Atlantic regions, with a growing presence in the Northeast, Southeast and Western United States. Our company's principal customers are individual investors, corporations, municipalities, and institutions.

On July 1, 2010, we acquired Thomas Weisel Partners Group, Inc. ("TWPG"), an investment bank focused principally on the growth sectors of the economy, which 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 and 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. The employees of the investment banking, research, and institutional brokerage businesses of TWP, a wholly owned subsidiary of TWPG, were transitioned into Stifel Nicolaus during the third quarter of 2010. TWP remains a wholly owned broker-dealer subsidiary of the Parent.

Basis of Presentation

The consolidated financial statements include Stifel Financial Corp. and its wholly owned subsidiaries, principally Stifel Nicolaus and Stifel Bank. All material intercompany balances and transactions have been eliminated. Unless otherwise indicated, the terms "we," "us," "our," or "our company" in this report refer to Stifel Financial Corp. and its wholly owned subsidiaries.

We have prepared the accompanying unaudited consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Pursuant to these rules and regulations, we have omitted certain information and footnote disclosures we normally include in our annual consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles. In management's opinion, we have made all adjustments (consisting only of normal, recurring adjustments, except as otherwise noted) necessary to fairly present our financial position, results of operations and cash flows. Our interim period operating results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year. These financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and the notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2010 on file with the SEC.

On April 5, 2011, we effected a three-for-two stock split to shareholders of record as of March 22, 2011. All share and per share information has been retroactively adjusted to reflect the stock split.

Certain amounts from prior periods have been reclassified to conform to the current period's presentation. The effect of these reclassifications on our company's previously reported consolidated financial statements was not material.

There have been no material changes in our significant accounting policies, as compared to the significant accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2010.

Consolidation Policies

The consolidated financial statements include the accounts of Stifel Financial Corp. and its subsidiaries. We also have investments or interests in other entities for which we must evaluate whether to consolidate by determining whether we have a controlling financial interest or are considered to be the primary beneficiary. In determining whether to consolidate these entities or not, we determine whether the entity is a voting interest entity or a variable interest entity ("VIE").

Voting Interest Entity. Voting interest entities are entities that have (i) total equity investment at risk sufficient to fund expected future operations independently, and (ii) equity holders who have the obligation to absorb losses or receive residual returns and the right to make decisions about the entity's activities. We consolidate voting interest entities when we determine that there is a controlling financial interest, usually ownership of all, or a majority of, the voting interest.

Variable Interest Entity. VIEs are entities that lack one or more of the characteristics of a voting interest entity. We are required to consolidate VIEs in which we are deemed to be the primary beneficiary. The primary beneficiary is defined as the entity that has a variable interest, or a combination of variable interests, that maintains control and provides benefits or will either: (i) absorb a majority of the VIEs expected losses, (ii) receive a majority of the VIEs expected returns, or (iii) both.

We determine whether we are the primary beneficiary of a VIE by first performing a qualitative analysis of the VIE's control structure, expected losses and expected residual returns. This analysis includes a review of, among other factors, the VIE's capital structure, contractual terms, which interests create or absorb variability, related party relationships, and the design of the VIE. Where qualitative analysis is not conclusive, we perform a quantitative analysis. We reassess our initial evaluation of an entity as a VIE and our initial determination of whether we are the primary beneficiary of a VIE upon the occurrence of certain reconsideration events. See Note 25 for additional information on variable interest entities.

NOTE 2 – Accounting Guidance

Recently Adopted Accounting Guidance

Allowance for Credit Losses

In July 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("Update") No. 2010-20, "Receivables (Topic 310): Disclosures About the Credit Quality of Financing Receivables and the Allowance for Credit Losses," which requires significant new disclosures about the allowance for credit losses and the credit quality of financing receivables. The requirements are intended to enhance transparency regarding credit losses and the credit quality of loan and lease receivables. Under this guidance, allowance for credit losses and fair value are to be disclosed by portfolio segment, while credit quality information, impaired financing receivables, and nonaccrual status are to be presented by class of financing receivable. Disclosure of the nature and extent, the financial impact, and segment information of troubled debt restructurings are required. The disclosures are to be presented at the level of disaggregation that management uses when assessing and monitoring the portfolio's risk and performance. This guidance is effective for interim and annual reporting periods ending on or after December 15, 2010 (December 31, 2010 for our company). In January 2011, the FASB issued Update 2011-01, Receivables (Topic 310): Deferral of the Effective Date of Disclosures About Troubled Debt Restructurings in Update No. 2010-20," which temporarily delayed the effective date of the disclosures about troubled debt restructurings until interim and annual reporting periods beginning on or after June 15, 2011 (July 1, 2011 for our company). Other than requiring additional disclosures, the adoption of this new guidance did not have a material impact on our consolidated financial statements. See Note 8 – Bank Loans.

Fair Value of Financial Instruments

In January 2010, the FASB issued Update No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements," which amends the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a rollforward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance for the disclosure on the rollforward activities for Level 3 fair value measurements became effective for us with the reporting period beginning January 1, 2011. Other than requiring additional disclosures, the adoption of this new guidance did not have a material impact on our consolidated financial statements. See Note 5 – Fair Value of Financial Instruments.

Troubled Debt Restructurings

In April 2011, the FASB issued Update No. 2011-02, "Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring," which clarifies existing guidance to provide assistance in determining whether a modification of the terms of a receivable meets the definition of a troubled debt restructuring. This guidance is effective for interim and annual reporting periods beginning on or after June 15, 2011 (July 1, 2011 for our company) and should be applied retrospectively to restructurings occurring on or after the beginning of the fiscal year of adoption (January 1, 2011 for our company). The adoption of this new guidance did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Guidance

Goodwill Impairment Testing

In September 2011, the FASB issued Update No. 2011-08 "Testing Goodwill for Impairment," which amends ASC 350 "Intangibles – Goodwill and Other." This update permits entities to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If an entity concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it would not be required to perform the two-step impairment test for that reporting unit. This update is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011 (January 1, 2012 for our company), with early adoption permitted. We are currently evaluating the impact the new guidance will have on our goodwill impairment testing.

Comprehensive Income

In June 2011, the FASB issued Update No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income," which allows for the presentation of total comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In addition, the guidance eliminates the option of presenting the components of other comprehensive income as part of the statement of changes in stockholders' equity. This guidance is effective for interim and annual reporting periods beginning after December 15, 2011 (January 1, 2012 for our company). While the adoption will impact where we disclose the components of other comprehensive income in our consolidated financial statements, we do not expect the adoption to have a material impact on those consolidated financial statements.

Fair Value of Financial Instruments

In May 2011, the FASB issued Update No. 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs," which generally aligns the principals of measuring fair value and for disclosing information about fair value measurements with International Financial Reporting Standards. This guidance is effective for interim and annual reporting periods beginning after December 15, 2011 (January 1, 2012 for our company). We are currently evaluating the impact the new guidance will have on our consolidated financial statements.

Reconsideration of Effective Control for Repurchase Agreements

In April 2011, the FASB issued Update No. 2011-03, "Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements," which removes the requirement to consider whether sufficient collateral is held when determining whether to account for repurchase agreements and other agreements that both entitle and obligate the transferor to repurchase or redeem financial assets before their maturity as sales or as secured financings. This guidance is effective for interim and annual reporting periods beginning on or after December 15, 2011 (January 1, 2012 for our company). We do not expect the adoption to have a material impact on our consolidated financial statements.

NOTE 3 – Acquisitions

Thomas Weisel Partners Group, Inc.

On July 1, 2010, we completed the purchase of all the outstanding shares of common stock of TWPG, an investment banking firm based in San Francisco, California. The purchase was completed pursuant to the merger agreement dated April 25, 2010. We issued shares of common stock, including exchangeable shares, to holders of TWPG common stock and restricted stock units to employees of TWPG as consideration for the merger. The fair value of the common stock and restricted stock units was determined using the market price of our common stock on the date of the merger. The merger furthers our company's mission of building the premier middle-market investment bank with significantly enhanced investment banking, research, and wealth management capabilities.

TWPG's results of operations have been included in our consolidated financial statements prospectively from the date of acquisition. The investment banking, research, and institutional brokerage businesses of TWPG were integrated with Stifel Nicolaus immediately after the merger; therefore, the revenues, expenses, and net income of the integrated businesses are not distinguishable within the results of our company. The following unaudited pro forma financial data assumes the acquisition had occurred at the beginning of each period presented. Pro forma results have been prepared by adjusting our historical results to include TWPG's results of operations adjusted for the following changes: amortization expense adjusted as a result of acquisition-date fair value adjustments to intangible assets; interest expense adjusted for revised debt structures; and the income tax effect of applying our statutory tax rates to TWPG's results. The unaudited pro forma results presented do not necessarily reflect the results of operations that would have resulted had the acquisition been completed at the beginning of the applicable periods presented, nor does it indicate the results of operations in future periods. Additionally, the unaudited pro forma results do not include the impact of possible business model changes, nor does it consider any potential impacts of current market conditions or revenues, reduction of expenses, asset dispositions, or other factors. The impact of these items could alter the following pro forma results.

(in thousands)	Nine Months Ended September 30, 2010 (Unaudited)
Total net revenues	$ 1,071,055
Net loss	(107,174)
Loss per share:	
Basic	$ (2.24)
Diluted	$ (2.24)

NOTE 4 – Receivables From and Payables to Brokers, Dealers and Clearing Organizations

Amounts receivable from brokers, dealers, and clearing organizations at September 30, 2011 and December 31, 2010, included (in thousands):

	September 30, 2011	December 31, 2010
Deposits paid for securities borrowed	$ 171,033	$ 94,709
Securities failed to deliver	56,304	74,991
Receivable from clearing organizations	8,613	78,007
	$ 235,950	$ 247,707

Amounts payable to brokers, dealers, and clearing organizations at September 30, 2011 and December 31, 2010, included (in thousands):

September 30, 2011	December 31, 2010