

WADDELL & REED FINANCIAL INC

Form 8-K

October 07, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

October 7, 2009 (October 5, 2009)

WADDELL & REED FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other

Jurisdiction of

Incorporation)

001-13913
(Commission

File Number)

51-0261715
(IRS Employer

Identification No.)

6300 Lamar Avenue

Overland Park, Kansas 66202

(Address of Principal Executive Offices) (Zip Code)

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(913) 236-2000

(Registrant's telephone number, including area code)

(Registrant's Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Interest and Fees

At the Company's election, loans under the credit facility will bear interest at one of the following options: (1) (a) the alternative base rate, which is the greatest of (i) the effective prime rate announced by Bank of America, (ii) the effective federal funds rate, plus 0.5%, or (iii) an adjusted LIBO rate, plus 1%, (b) plus a margin of 1.650% to 2.875% (depending upon the Company's debt rating), or (2) an adjusted LIBO rate, plus a margin of 2.650% to 3.875% (depending upon the Company's debt rating). The Company is required to pay accrued interest at established intervals, which is based upon the Company's elected interest period.

The Company pays, on a quarterly basis, a per annum facility fee of 0.35% to 0.625% (depending upon the Company's debt rating) on the aggregate commitment of the credit facility, whether used or unused.

Covenants and Events of Acceleration

The Credit Agreement contains customary covenants, including but not limited to, restrictions on the Company's ability, and in certain instances its subsidiaries' ability, to incur liens; make acquisitions, investments and capital expenditures; pay dividends; sell or transfer assets and stock; and enter into hedging agreements. The Credit Agreement also limits the Company's subsidiaries' ability to incur additional indebtedness. Additionally, the Company may not permit its consolidated leverage ratio to equal or exceed 3.0 to 1.0 or its consolidated interest coverage ratio to equal or be less than 4.0 to 1.0 during specified periods.

Upon the occurrence of certain events of default, the Company's obligations under the credit facility may be accelerated and the lending commitments under the credit facility terminated. Such events of default include payment defaults to the lenders, material inaccuracies of representations and warranties, covenant defaults, material payment defaults (other than under the credit facility), voluntary and involuntary bankruptcy proceedings, material money judgments, material ERISA events, change of control of the Company and other customary defaults.

Existing Relationships with Lenders

The Company has ongoing relationships with a majority of the lenders that are parties to the Credit Agreement for which they have received customary fees and expenses. Certain of the lenders provide commercial banking services, including custody and cash management services. Affiliates of certain of the lenders have also acted as underwriters for issuances of our senior notes and equity securities, and also provide various services to our affiliated mutual funds.

The description set forth in this Item 2.03 is qualified in its entirety by reference to the full text of the Credit Agreement filed as Exhibit 10.1 to this report. See also Item 1.01, which describes information set forth on disclosure schedules, which are omitted from this filing.

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits.

10.1 Credit Agreement, dated October 5, 2009, by and among Waddell & Reed Financial, Inc., the Lenders, Bank of America, N.A. and Bank of America Securities LLC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WADDELL & REED FINANCIAL, INC.

Date: October 7, 2009

By:

/s/ Daniel P. Connealy
Daniel P. Connealy
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
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