

SCHWAB CHARLES CORP
Form 8-K
January 26, 2012

UNITED STATES
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): January 24, 2012

The Charles Schwab Corporation

(Exact name of registrant as specified in its charter)

Commission File Number: 1-9700

Delaware
(State or other jurisdiction)

94-3025021
(I.R.S. Employer)

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of incorporation)

211 Main Street, San Francisco, CA 94105

Identification No.)

(Address of principal executive offices, including zip code)

(415) 667-7000

(Registrant's telephone number, including area code)

N/A

(Former 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:

- .. 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))

Item 3.03 Material Modification to Rights of Security Holders

On January 26, 2012, The Charles Schwab Corporation (the Company) issued and sold 400,000 shares of fixed-to-floating rate non-cumulative perpetual preferred stock, Series A, \$0.01 par value, with a liquidation preference of \$1,000 per share (the Series A Preferred Stock). The Company filed a Certificate of Designations (the Certificate of Designations) with the Secretary of State of the State of Delaware, establishing the voting rights, powers, preferences and privileges, and the relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of the Series A Preferred Stock on January 24, 2012.

Under the terms of the Series A Preferred Stock, the ability of the Company to pay dividends on, make distributions with respect to, or to repurchase, redeem or acquire its common stock or any preferred stock ranking on parity with or junior to the Series A Preferred Stock, is subject to restrictions in the event that the Company does not declare and either pay or set aside a sum sufficient for payment of dividends on the Series A Preferred Stock for the immediately preceding dividend period.

The terms of the Series A Preferred Stock are more fully described in the Certificate of Designations which is included as Exhibit 3.15 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 5.03 Amendments to Articles of Incorporation or By-Laws; Change in Fiscal Year.

The Certificate of Designations became effective upon filing with the Secretary of State of the State of Delaware and it amends the Company's Fifth Restated Certificate of Incorporation. The terms of the Series A Preferred Stock are more fully described in the Certificate of Designations which is included as Exhibit 3.15 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 8.01 Other Events

On January 23, 2012, the Company entered into an Underwriting Agreement (the Underwriting Agreement) with Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC, as the representatives of the several underwriters named therein (collectively, Underwriters), under which the Company agreed to sell to the Underwriters 400,000 shares of the Series A Preferred Stock.

The Underwriting Agreement contains customary representations, warranties and agreements of the Company, conditions to closing, indemnification rights and obligations of the parties, and termination provisions. Under the terms of the Underwriting Agreement, the Company agreed to indemnify the Underwriters against certain specified types of liabilities, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments the Underwriters may be required to make in respect of these liabilities.

The net proceeds of the offering of the Series A Preferred Stock were approximately \$393.8 million, after deducting underwriting discounts and commissions and estimated offering expenses. The offering was made pursuant to the prospectus supplement dated January 23, 2012 and the accompanying prospectus dated December 15, 2011, filed with the Securities and Exchange Commission pursuant to the

Company's effective registration statement on Form S-3 (File No. 333-178525) (the Registration Statement). The following documents are being filed with this Current Report on Form 8-K and are incorporated by reference into the Registration Statement: (a) the Underwriting Agreement and (b) the Certificate of Designations to which the Form of Certificate Representing the Series A Preferred Stock is attached as Exhibit A.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

- 1.10 Underwriting Agreement, dated January 23, 2012, between the Company and Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC, as the representatives of the several underwriters named therein.
- 3.15 Certificate of Designations of Fixed to Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A of the Company (including the form of the Fixed to Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A Certificate of the Company attached as Exhibit A thereto).
- 5.1 Opinion of Arnold & Porter LLP, dated January 26, 2012.
- 23.1 Consent of Arnold & Porter LLP, dated January 26, 2012 (included in Exhibit 5.1).

Signature(s)

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

THE CHARLES SCHWAB CORPORATION

Date: January 26, 2012

By: /s/ Joseph R. Martinetto
Joseph R. Martinetto
Executive Vice President and Chief Financial

Officer

Exhibit Index

| Exhibit No. | Description |
|--------------------|---|
| Ex 1.10 | Underwriting Agreement, dated January 23, 2010, between the Company and Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC, as the representatives of the several underwriters named therein. |
| Ex. 3.15 | Certificate of Designations of Fixed to Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A of the Company (including the form of the Fixed to Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A Certificate of the Company attached as Exhibit A thereto). |
| Ex 5.1 | Opinion of Arnold & Porter LLP, dated January 26, 2012. |
| Ex 23.1 | Consent of Arnold & Porter LLP, dated January 26, 2012 (included in Exhibit 5.1). |