
Section 1: 8-K (8-K)

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):
February 13, 2018

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)

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On February 15, 2018, Waddell & Reed Financial, Inc. (the “Company”) entered into the Second Amendment (the “Amendment”) to the Rights Agreement, dated as of April 8, 2009, between the Company and Computershare Trust Company, N.A., as rights agent, as amended by the First Amendment to Rights Agreement, dated as of July 22, 2016.

The Amendment accelerated the expiration of the rights to purchase one one-thousandth of a share of Series B Junior Participating Preferred Stock, par value \$1.00 per share (the “Rights”) from 5:00 P.M., New York City time, on April 28, 2019 to 5:00 P.M., New York City time, on February 15, 2018, and had the effect of terminating the Rights Agreement. At the time of the termination of the Rights Agreement, all of the Rights distributed to holders of the Company’s common stock pursuant to the Rights Agreement expired.

The foregoing is a summary of the terms of the Amendment. The summary does not purport to be complete and is qualified in its entirety by reference to the Amendment, a copy of which is included as Exhibit 4.1 hereto and incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

The information set forth under Item 1.01 is incorporated herein by reference.

Item 3.03 Material Modification to Rights of Security Holders.

The information set forth under Item 1.01 is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 22, 2017, the Company announced that Brent K. Bloss, Senior Vice President, Chief Financial Officer and Treasurer of the Company, had been appointed Chief Operating Officer and that, upon filing of the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 (the “Form 10-K”), the Company’s Vice President and Chief Accounting Officer, Benjamin R. Clouse, would be appointed Chief Financial Officer.

On February 13, 2018, the Board of Directors (the “Board”) of the Company appointed Mr. Clouse as Senior Vice President and Chief Financial Officer of the Company, effective upon the filing of the Company’s Form 10-K with the Securities Exchange Commission.

Mr. Clouse, age 44, served as Vice President and Chief Accounting Officer of the Company from February 2017 to February 2018 and Vice President and Principal Accounting Officer from March 2016 to February 2017. Prior thereto, Mr. Clouse was Vice President of the Company since October 2015. Prior to joining the Company, Mr. Clouse served as Chief Financial Officer of Executive AirShare Corporation from September 2012 to October 2015. From 2006 to 2012 and from 2002 to 2005, he served in various roles with H&R Block, Inc., including Assistant Vice President — Audit Services and Assistant Vice President and Controller — Tax Services. From 2005 to 2006, Mr. Clouse served as Vice President — Finance and Corporate Controller of Gold Bank Corporation, Inc. From September 1996 to January 2002, he served in various roles in the audit practice of Deloitte & Touche, LLP. Mr. Clouse holds a CPA designation and received a B.S. in Business Administration and a Master of Accountancy, both from Kansas State University.

As Senior Vice President and Chief Financial Officer, Mr. Clouse will participate in the Company’s 2003 Executive Incentive Plan, as amended and restated, a detailed description of which is set forth in the Company’s 2017 Proxy Statement filed with the SEC on March 2, 2017. As a current employee, Mr. Clouse is eligible to participate in the Company’s medical, dental and vision plans and 401(k) plan. Mr. Clouse will also participate in other elements of the Company’s executive compensation and benefits plans, which are outlined in the Company’s 2017 Proxy Statement. There is no arrangement or understanding between Mr. Clouse and any other person pursuant to which he was elected as an officer of the Company and there are no familial relationships between

Mr. Clouse and any of the Company’s directors or executive officers. Additionally, Mr. Clouse does not have an employment agreement with the Company.

Melissa A. Clouse, the spouse of Mr. Clouse, is an employee in the Human Resources department of the Company. However, Ms. Clouse intends to resign from her position with the Company in April 2018. For the 2017 fiscal year, Ms. Clouse received an aggregate salary and bonus of \$112,308, Company matching and discretionary contributions totaling \$8,984 under the Company’s 401(k) Plan, and participated in the Company’s active employee flexible benefits plans, which are generally available to all Company employees. Additionally, the Company awarded Ms. Clouse 1,299 shares of restricted stock and 1,299 cash-settled restricted stock units in January 2017 with a grant date fair value of \$50,037 calculated in accordance with ASC 718.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

In connection with the adoption of the Rights Agreement, on April 8, 2009, the Company filed a Certificate of Designation, Preferences and Rights of Series B Junior Participating Preferred Stock with the Secretary of State of the State of Delaware setting forth the rights, powers and preferences of the Series B Junior Participating Preferred Stock issuable upon exercise of the Rights (the “Preferred Shares”).

Promptly following the expiration of the Rights and the termination of the Rights Agreement, the Company filed a Certificate of Elimination (the "Certificate of Elimination") with the Secretary of State of the State of Delaware eliminating the Preferred Shares and returning them to authorized but undesignated shares of the Company's preferred stock.

The foregoing is a summary of the terms of the Certificate of Elimination. The summary does not purport to be complete and is qualified in its entirety by reference to the Certificate of Elimination, a copy of which is included as Exhibit 4.2 hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
4.1	Second Amendment to the Rights Agreement, dated as of February 15, 2018, between Waddell & Reed Financial, Inc. and Computershare Trust Company, N.A., as Rights Agent
4.2	Certificate of Elimination of Series B Junior Participating Preferred Stock of Waddell & Reed Financial, Inc.

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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: February 20, 2018

By: /s/ Brent K. Bloss
Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer

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Section 2: EX-4.1 (EX-4.1)

Exhibit 4.1

SECOND AMENDMENT TO RIGHTS AGREEMENT

This Second Amendment to Rights Agreement (this "Amendment"), dated as of February 15, 2018 (the "Effective Date"), is by and between Waddell & Reed Financial, Inc., a Delaware corporation (the "Company"), and Computershare Trust Company, N.A., a federally chartered trust company (the "Rights Agent").

WHEREAS, the Board of Directors of the Company (the "Board") previously adopted a Rights Agreement, dated as of April 8, 2009, by and between the Company and the Rights Agent, as amended by the First Amendment to Rights Agreement, dated as of July 22, 2016 (the "Rights Agreement");

WHEREAS, pursuant to Section 27 of the Rights Agreement, for so long as the Rights are then redeemable, the Company may from time to time in its sole and absolute discretion, and the Rights Agent shall if the Company so directs, supplement or amend any provision of the Rights Agreement in any respect without the approval of any holders of the Rights;

WHEREAS, the Board has determined to amend the Rights Agreement in certain respects;

WHEREAS, the Rights are currently redeemable; and

WHEREAS, the Company has delivered to the Rights Agent a certificate from an appropriate officer of the Company stating that this Amendment complies with Section 27 of the Rights Agreement and has directed the Rights Agent to execute this Amendment to amend the Rights Agreement as set forth herein;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the Company and the Rights Agent hereby agree as follows:

Section 1. Certain Definitions. Terms used in this Amendment but not otherwise defined herein shall have the meanings ascribed to such terms in the Rights Agreement.

Section 2. Amendment to Rights Agreement. Clause (i) of Section 7(a) of the Rights Agreement is hereby amended and restated in its entirety to read as follows:

“(i) the close of business on February 15, 2018 (the “Final Expiration Date”),”

Section 3. Amendment to Exhibits. The exhibits to the Rights Agreement shall be deemed to be amended to reflect this Amendment, including all conforming changes as set forth herein.

Section 4. Other Amendment; Effect of Amendment. Except as and to the extent expressly modified by this Amendment, the Rights Agreement and the exhibits thereto remain in full force and effect in all respects without any modification. This Amendment will be deemed an amendment to the Rights Agreement and will become effective on the Effective Date. In the event of a conflict or an inconsistency between this Amendment and the Rights Agreement and the exhibits thereto, the provisions of this Amendment will govern.

Section 5. Severability. If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Amendment shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 6. Governing Law. This Amendment shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

Section 7. Descriptive Headings. Descriptive headings of the sections of this Amendment are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 8. Counterparts. This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. A signature to this Amendment executed and/or transmitted electronically shall have the same authority, effect, and enforceability as an original signature.

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IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Rights Agreement to be duly executed, all as of the Effective Date.

WADDELL & REED FINANCIAL, INC.

By: /s/ Brent K. Bloss
Name: Brent K. Bloss
Title: Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer

COMPUTERSHARE TRUST COMPANY, N.A.

By: /s/ Dennis V. Moccia
Name: Dennis V. Moccia
Title: Manager, Contract Administration

[Signature Page to Second Amendment to Rights Agreement]

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Section 3: EX-4.2 (EX-4.2)

**CERTIFICATE OF ELIMINATION
OF
SERIES B JUNIOR PARTICIPATING PREFERRED STOCK
OF
WADDELL & REED FINANCIAL, INC.**

(Pursuant to Section 151(g) of the General Corporation Law of the State of Delaware)

Waddell & Reed Financial, Inc., a Delaware corporation (the “**Company**”), certifies as follows:

1. Pursuant to Section 151 of the General Corporation Law of the State of Delaware (the “**DGCL**”) and the authority granted in the Restated Certificate of Incorporation of the Company, the Board of Directors of the Company, by resolutions duly adopted, authorized the issuance of 750,000 shares of preferred stock, par value \$1.00 per share, of the Company designated as Series B Junior Participating Preferred Stock (the “**Series B Preferred Stock**”), and the filing of the Certificate of Designation, Preferences and Rights of Series B Junior Participating Preferred Stock of the Company, dated as of April 9, 2009 (the “**Certificate of Designation**”).

2. Pursuant to the provisions of Section 151(g) of the DGCL, the Board of Directors of the Company has adopted the following resolutions:

FURTHER RESOLVED, that none of the authorized shares of preferred stock, par value \$1.00, of the Company designated as Series B Preferred Stock, are outstanding, and none of the authorized shares of Series B Preferred Stock will be issued subject to the Certificate of Designation therefor; and be it

FURTHER RESOLVED, that the Company be, and hereby is, authorized and directed to file with the Secretary of State of the State of Delaware a certificate (the “**Certificate of Elimination**”) containing these resolutions, with the effect under the General Corporation Law of the State of Delaware of eliminating from the Company’s Restated Certificate of Incorporation all matters set forth in the Certificate of Designation filed with the Secretary of State of the State of Delaware on April 9, 2009; and be it

FURTHER RESOLVED, that the Authorized Officers are, and each of them hereby is, authorized and directed, for and on behalf of the Company and in its name, to execute and file the Certificate of Elimination at such time as they deem appropriate, and to take such further actions as they may deem necessary or appropriate to carry out the intent of the foregoing resolutions in accordance with the applicable provisions of the General Corporation Law of the State of Delaware.

3. Pursuant to the provisions of Section 151(g) of the DGCL, all references to the Series B Preferred Stock in the Restated Certificate of Incorporation of the Company, as amended by the Certificate of Designation, are hereby eliminated, and the shares that were designated to such series are hereby returned to the status of authorized but unissued shares of preferred stock of the Company.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Certificate of Elimination to be signed on its behalf by its duly authorized officer on this 16th day of February, 2018.

WADDELL & REED FINANCIAL, INC.

/s/ Wendy J. Hills

Name: Wendy J. Hills

Title: Executive Vice President, Chief Legal Officer, General Counsel
and Secretary

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