

SWS GROUP INC
Form SC 13D/A
December 01, 2011

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 2)**

SWS GROUP, INC.

(Name of Issuer)

Common Stock, par value \$0.10 per share

(Title of Class of Securities)

78503N 10 7

(CUSIP Number)

Corey G. Prestidge

Hilltop Holdings Inc.

200 Crescent Court, Suite 1330

Dallas, Texas 75201

(214) 855-2177

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

November 16, 2011

(Date of Event Which Requires Filing of this Statement)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box: o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

Hilltop Holdings Inc. 84-1477939
2. Check the Appropriate Box if a Member of a Group (See Instructions)
 - (a)
 - (b)
3. SEC Use Only
4. Source of Funds (See Instructions)
WC
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization
Maryland
 7. Sole Voting Power
10,171,039 (a)
 8. Shared Voting Power
0
 9. Sole Dispositive Power
10,171,039 (a)
 10. Shared Dispositive Power
0
11. Aggregate Amount Beneficially Owned by Each Reporting Person
10,171,039 (a)
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13. Percent of Class Represented by Amount in Row (11)
24.6% (b)
14. Type of Reporting Person (See Instructions)
CO

(a) Includes 8,695,652 shares of common stock that are acquirable upon the exercise of a warrant. The warrant is exercisable at any time for five years from the date of original issuance, but will expire to the extent that SWS Group, Inc. prepays the loan made to it by Hilltop Holdings Inc. and the holder does not exercise a corresponding portion of the warrant. The exercise price and number of shares of common stock acquirable upon exercise of the warrant is subject to adjustment as set forth in the warrant.

(b) Based upon 32,605,973 shares of common stock of SWS Group, Inc. outstanding on November 25, 2011, as reported in a Prospectus dated and filed November 29, 2011. Shares issuable pursuant to the warrant are treated as if outstanding for computing the percentage ownership of Hilltop Holdings Inc., but are not treated as outstanding for purposes of computing the percentage ownership of any other person.

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This Amendment No. 2 to Schedule 13D amends and supplements the Schedule 13D filed by Hilltop Holdings Inc. with the Securities and Exchange Commission (the Commission) on August 8, 2011, as amended and supplemented by Amendment No. 1 to Schedule 13D filed with the Commission on September 16, 2011 (as amended and supplemented, collectively, this Statement or this Schedule 13D), relating to the common stock, \$0.10 par value per share, of SWS Group, Inc., a Delaware corporation. Initially capitalized terms used herein that are not otherwise defined herein shall have the same meanings attributed to them in the Schedule 13D. Except as expressly provided for herein, all Items of the Schedule 13D remain unchanged.

Item 1. Security and Issuer

Item 1 is hereby amended and restated in its entirety to read as follows:

This Schedule 13D relates to 10,171,039 shares of common stock, \$0.10 par value per share (the Common Stock), of SWS Group, Inc., a Delaware corporation (the Company or the Issuer). This includes 8,695,652 shares of Common Stock (and, in some cases, the Company s non-voting preferred stock, \$1.00 par value per share (Series A Preferred Stock)) that are acquirable upon the exercise of a warrant issued to Hilltop Holdings Inc. by the Company. The warrant is exercisable at any time for five years from the date of original issuance, but will expire to the extent that the Company prepays the loan made to it by Hilltop Holdings Inc. and the holder does not exercise a corresponding portion of the warrant. The exercise price and number of shares of Common Stock acquirable upon exercise of the warrant is subject to adjustment as set forth in the warrant. This description of the warrant does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the warrant, which is filed as Exhibit 99.2 to this Schedule 13D.

The Company s principal executive office is located at 1201 Elm Street, Suite 3500, Dallas, Texas 75270.

Item 3. Source and Amount of Funds or Other Consideration

Item 3 is hereby supplemented to read as follows:

From November 15, 2011 through November 25, 2011, the Reporting Person purchased 1,117,987 shares of Common Stock in the open market and through a block purchase for an aggregate cash purchase price of \$5,949,977. The Reporting Person made these purchases utilizing funds from its available working capital.

Item 5. Interest in Securities of the Issuer

Item 5 is hereby amended and restated in its entirety to read as follows:

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(a) As of November 29, 2011, the Reporting Person was the beneficial owner of 10,171,039 shares of Common Stock, which represents 24.6% of the Common Stock. This includes 8,695,652 shares of Common Stock (and, in some cases, the Series A Preferred Stock) that are acquirable upon the exercise of a warrant issued to the Reporting Person by the Company. The warrant is exercisable at any time for five years from the date of original issuance, but will expire to the extent that the Company prepays the loan made to it by the Reporting Person and the holder does not exercise a corresponding portion of the warrant. The exercise price and number of shares of Common Stock acquirable upon exercise of the warrant is subject to adjustment as set forth in the warrant. Other than Mr. Gerald Ford's direct ownership of 6,731 shares of Common Stock, to the best knowledge of the Reporting Person, none of the other Named Individuals beneficially owns any shares of Common Stock. The foregoing reported percentage ownership is based upon 32,605,973 shares of Common Stock outstanding on November 25, 2011, as reported in the Prospectus filed and dated November 29, 2011. Shares issuable pursuant to the warrant are treated as if outstanding for computing the percentage ownership of the Reporting Person, but are not treated as outstanding for purposes of computing the percentage ownership of any other person.

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(b) Until shares of Common Stock are acquired upon exercise of the warrant (and, in some cases, conversion of the Series A Preferred Stock), those shares are not entitled to vote. The Reporting Person has the sole power to vote, or to direct the vote of, and the sole power to dispose, or to direct the disposition of, the shares of Common Stock, the warrant and the shares of Common Stock acquirable upon exercise of the warrant (and, in some cases, the Series A Preferred Stock) reported in this Schedule 13D. The Named Individuals may be deemed to have beneficial ownership of these securities. The Named Individuals disclaim beneficial ownership of these securities, except to the extent of their respective pecuniary interests therein.

(c) Except for the purchases of Common Stock set forth on Schedule A to this Schedule 13D and the grant of 6,731 shares of Common Stock to Mr. Gerald Ford by the Company for his service on the Board of Directors of the Company, the Reporting Person has not, and to the Reporting Person's knowledge, without independent verification, none of the Named Individuals have, effected any transactions in the securities of the Company since the filing by the Reporting Person of the Amendment No. 1 to Schedule 13D on September 16, 2011.

(d) Other than the Reporting Person, no other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities of the Issuer owned by the Reporting Person referred to in this Item 5.

(e) Not applicable.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: November 30, 2011

HILLTOP HOLDINGS INC.,
a Maryland corporation

By: /s/ COREY PRESTIDGE
Name: Corey Prestidge
Title: General Counsel

Schedule A

Transactions in Securities of SWS Group, Inc.

Since the filing of the Amendment No. 1 to Schedule 13D by Hilltop Holdings Inc. on September 16, 2011, Hilltop Holdings Inc. made the following open market purchases and a block purchase of SWS Group, Inc. common stock.

Date of Transaction		Number of Shares Purchased	Price Per Share
November 15, 2011		100	\$ 5.1500
November 15, 2011		92	\$ 5.1600
November 15, 2011		800	\$ 5.1700
November 15, 2011		100	\$ 5.1786
November 15, 2011		100	\$ 5.1796
November 15, 2011		100	\$ 5.1799
November 15, 2011		608	\$ 5.1800
November 15, 2011		200	\$ 5.1900
November 15, 2011		93	\$ 5.2000
November 15, 2011		100	\$ 5.2099
November 15, 2011		342	\$ 5.2100
November 15, 2011		601	\$ 5.2200
November 15, 2011		199	\$ 5.2300
November 15, 2011		200	\$ 5.2500
November 15, 2011		100	\$ 5.2588
November 15, 2011		165	\$ 5.2600
November 15, 2011		100	\$ 5.2886
November 15, 2011		200	\$ 5.2900
November 15, 2011		400	\$ 5.3100
November 15, 2011		300	\$ 5.3300
November 15, 2011		200	\$ 5.3400
November 15, 2011		100	\$ 5.3469
November 15, 2011		200	\$ 5.3500
November 15, 2011		100	\$ 5.3679
November 15, 2011		100	\$ 5.3680
November 15, 2011		364	\$ 5.3700
November 15, 2011		100	\$ 5.3750
November 15, 2011		100	\$ 5.3800
November 15, 2011		100	\$ 5.3879
November 15, 2011		100	\$ 5.3891
November 15, 2011		522	\$ 5.4000
November 15, 2011		200	\$ 5.4500
November 15, 2011		200	\$ 5.4592
November 15, 2011		100	\$ 5.4598
November 15, 2011		2,508	\$ 5.4600
November 15, 2011		100	\$ 5.4686
November 15, 2011		100	\$ 5.4695
November 15, 2011		3,006	\$ 5.4700
November 15, 2011		100	\$ 5.4786

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Date of Transaction	Number of Shares Purchased	Price Per Share
November 15, 2011	100	\$ 5.4788
November 15, 2011	100	\$ 5.4796
November 15, 2011	500	\$ 5.4800
November 15, 2011	100	\$ 5.4850
November 15, 2011	100	