

DOWNEY FINANCIAL CORP  
Form SC 13D/A  
December 05, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**

Washington, D.C. 20549

**SCHEDULE 13D**

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

**Downey Financial Corp.**

(Name of Issuer)

**Common Stock, par value \$0.01 per share**

(Title of Class of Securities)

**261018105**

(CUSIP Number)

**Larry D. Willard**

**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)

**December 3, 2007**

(Date of Event which Requires Filing of this Statement)

## Edgar Filing: DOWNEY FINANCIAL CORP - Form SC 13D/A

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).

### **Explanatory Note:**

Hilltop Holdings Inc. is filing this Amendment No. 2 to correct a typographical error in a heading on the Schedule A filed with Amendment No. 1. The heading now correctly reads "Number of Shares Sold."

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CUSIP No. 261018105

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

Hilltop Holdings Inc.

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  
1,381,413

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

8. Shared Voting Power  
0

9. Sole Dispositive Power  
1,381,413

10. Shared Dispositive Power  
0

11. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,381,413

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)  
4.9

14. Type of Reporting Person (See Instructions)

CO

This Amendment No. 2 to Schedule 13D amends Amendment No. 1 to the Schedule 13D filed by Hilltop Holdings Inc. with the Securities and Exchange Commission (the Commission) on December 4, 2007, relating to the common stock, par value \$0.01 per share ( Common Stock ), of Downey Financial Corp., a Delaware corporation (the Issuer). Capitalized terms used herein which are not defined herein have the meanings attributed to such terms in the Schedule 13D. Except as otherwise expressly provided herein, all Items of the Schedule 13D, as amended by Amendment No. 1, remain unchanged. Hilltop Holdings Inc. is filing this Amendment No. 2 to correct a typographical error in a heading on the Schedule A filed with Amendment No. 1. The heading now correctly reads "Number of Shares Sold."

**Item 5. Interest in Securities of the Issuer.**

Item 5(c) is hereby restated as follows:

(c) Except for the open market sales of Common Stock set forth on Schedule A attached hereto, neither the Reporting Person, nor to the best of its knowledge, any of the Named Individuals, has effected any transaction in the Issuer's Common Stock since the most recent filing on Schedule 13D.

## Signature

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this Schedule 13D is true, complete and correct.

Date: December 5, 2007

Hilltop Holdings Inc.

By:

/s/ Larry D. Willard  
Larry D. Willard  
President and Chief Executive Officer

## SCHEDULE A

**TRANSACTIONS IN SHARES OF  
COMMON STOCK BY  
HILLTOP HOLDINGS INC. SINCE  
THE FILING OF THE SCHEDULE 13D**

| <b>Date of Transaction</b> | <b>Number<br/>of<br/>Shares Sold</b> | <b>Price<br/>per<br/>Share</b> |
|----------------------------|--------------------------------------|--------------------------------|
| December 3, 2007           | 301 Shares                           | \$ 41.14                       |
| December 3, 2007           | 100 Shares                           | \$ 41.11                       |
| December 3, 2007           | 2,700 Shares                         | \$ 41.10                       |
| December 3, 2007           | 100 Shares                           | \$ 41.09                       |
| December 3, 2007           | 500 Shares                           | \$ 41.08                       |
| December 3, 2007           | 700 Shares                           | \$ 41.07                       |
| December 3, 2007           | 2,900 Shares                         | \$ 41.06                       |
| December 3, 2007           | 2,000 Shares                         | \$ 41.05                       |
| December 3, 2007           | 1,500 Shares                         | \$ 41.04                       |
| December 3, 2007           | 3,300 Shares                         | \$ 41.03                       |
| December 3, 2007           | 3,799 Shares                         | \$ 41.02                       |
| December 3, 2007           | 7,401 Shares                         | \$ 41.01                       |
| December 3, 2007           | 297,900 Shares                       | \$ 41.00                       |
| December 3, 2007           | 3,700 Shares                         | \$ 40.995                      |
| December 3, 2007           | 8,700 Shares                         | \$ 40.99                       |
| December 3, 2007           | 1,300 Shares                         | \$ 40.985                      |
| December 3, 2007           | 5,592 Shares                         | \$ 40.98                       |
| December 3, 2007           | 200 Shares                           | \$ 40.975                      |
| December 3, 2007           | 8,100 Shares                         | \$ 40.97                       |
| December 3, 2007           | 3,400 Shares                         | \$ 40.96                       |
| December 3, 2007           | 100 Shares                           | \$ 40.955                      |
| December 3, 2007           | 5,607 Shares                         | \$ 40.95                       |
| December 3, 2007           | 1,800 Shares                         | \$ 40.94                       |
| December 3, 2007           | 300 Shares                           | \$ 40.935                      |
| December 3, 2007           | 7,400 Shares                         | \$ 40.93                       |
| December 3, 2007           | 300 Shares                           | \$ 40.925                      |
| December 3, 2007           | 4,900 Shares                         | \$ 40.92                       |
| December 3, 2007           | 6,400 Shares                         | \$ 40.91                       |
| December 3, 2007           | 400 Shares                           | \$ 40.905                      |
| December 3, 2007           | 9,600 Shares                         | \$ 40.90                       |
| December 3, 2007           | 1,200 Shares                         | \$ 40.89                       |
| December 3, 2007           | 500 Shares                           | \$ 40.88                       |
| December 3, 2007           | 400 Shares                           | \$ 40.875                      |
| December 3, 2007           | 300 Shares                           | \$ 40.87                       |
| December 3, 2007           | 2,200 Shares                         | \$ 40.86                       |
| December 3, 2007           | 1,300 Shares                         | \$ 40.85                       |
| December 3, 2007           | 1,000 Shares                         | \$ 40.845                      |



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| <b>Date of Transaction</b> | <b>Number of Shares Sold</b> | <b>Price per Share</b> |
|----------------------------|------------------------------|------------------------|
| December 3, 2007           | 3,600 Shares                 | \$ 40.84               |
| December 3, 2007           | 600 Shares                   | \$ 40.835              |
| December 3, 2007           | 600 Shares                   | \$ 40.83               |
| December 3, 2007           | 300 Shares                   | \$ 40.82               |
| December 3, 2007           | 400 Shares                   | \$ 40.81               |
| December 3, 2007           | 600 Shares                   | \$ 40.80               |
| December 3, 2007           | 2,300 Shares                 | \$ 40.79               |
| December 3, 2007           | 400 Shares                   | \$ 40.78               |
| December 3, 2007           | 2,200 Shares                 | \$ 40.77               |
| December 3, 2007           | 900 Shares                   | \$ 40.76               |
| December 3, 2007           | 2,700 Shares                 | \$ 40.75               |
| December 3, 2007           | 1,400 Shares                 | \$ 40.74               |
| December 3, 2007           | 1,900 Shares                 | \$ 40.73               |
| December 3, 2007           | 800 Shares                   | \$ 40.72               |
| December 3, 2007           | 200 Shares                   | \$ 40.715              |
| December 3, 2007           | 1,203 Shares                 | \$ 40.71               |
| December 3, 2007           | 1,600 Shares                 | \$ 40.70               |
| December 3, 2007           | 2,000 Shares                 | \$ 40.68               |
| December 3, 2007           | 1,502 Shares                 | \$ 40.67               |
| December 3, 2007           | 100 Shares                   | \$ 40.665              |
| December 3, 2007           | 2,100 Shares                 | \$ 40.66               |
| December 3, 2007           | 400 Shares                   | \$ 40.655              |
| December 3, 2007           | 2,400 Shares                 | \$ 40.65               |
| December 3, 2007           | 500 Shares                   | \$ 40.645              |
| December 3, 2007           | 1,800 Shares                 | \$ 40.64               |
| December 3, 2007           | 2,595 Shares                 | \$ 40.63               |
| December 3, 2007           | 1,000 Shares                 | \$ 40.625              |
| December 3, 2007           | 1,100 Shares                 | \$ 40.62               |
| December 3, 2007           | 200 Shares                   | \$ 40.615              |
| December 3, 2007           | 1,200 Shares                 | \$ 40.61               |
| December 3, 2007           | 1,900 Shares                 | \$ 40.605              |
| December 3, 2007           | 3,900 Shares                 | \$ 40.60               |
| December 3, 2007           | 600 Shares                   | \$ 40.595              |
| December 3, 2007           | 3,200 Shares                 | \$ 40.59               |
| December 3, 2007           | 400 Shares                   | \$ 40.585              |
| December 3, 2007           | 5,022 Shares                 | \$ 40.58               |
| December 3, 2007           | 300 Shares                   | \$ 40.575              |
| December 3, 2007           | 1,600 Shares                 | \$ 40.57               |
| December 3, 2007           | 3,369 Shares                 | \$ 40.56               |
| December 3, 2007           | 100 Shares                   | \$ 40.555              |
| December 3, 2007           | 7,331 Shares                 | \$ 40.55               |
| December 3, 2007           | 369 Shares                   | \$ 40.54               |
| December 3, 2007           | 200 Shares                   | \$ 40.53               |



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| <b>Date of Transaction</b> | <b>Number<br/>of<br/>Shares Sold</b> | <b>Price<br/>per<br/>Share</b> |
|----------------------------|--------------------------------------|--------------------------------|
| December 3, 2007           | 900 Shares                           | \$ 40.52                       |
| December 3, 2007           | 400 Shares                           | \$ 40.51                       |
| December 3, 2007           | 2,400 Shares                         | \$ 40.50                       |
| December 3, 2007           | 31 Shares                            | \$ 40.47                       |
| December 3, 2007           | 200 Shares                           | \$ 40.44                       |
| December 3, 2007           | 200 Shares                           | \$ 40.43                       |
| December 3, 2007           | 200 Shares                           | \$ 40.42                       |
| December 3, 2007           | 600 Shares                           | \$ 40.36                       |
| December 3, 2007           | 16,978 Shares                        | \$ 40.35                       |
| December 3, 2007           | 200 Shares                           | \$ 40.30                       |
| December 3, 2007           | 200 Shares                           | \$ 40.28                       |
| December 3, 2007           | 300 Shares                           | \$ 40.27                       |
| December 3, 2007           | 100 Shares                           | \$ 40.26                       |
| December 3, 2007           | 200 Shares                           | \$ 40.24                       |
| December 3, 2007           | 200 Shares                           | \$ 40.22                       |
| December 3, 2007           | 400 Shares                           | \$ 40.20                       |
| December 3, 2007           | 900 Shares                           | \$ 40.18                       |
| December 3, 2007           | 2,500 Shares                         | \$ 40.16                       |
| December 3, 2007           | 2,700 Shares                         | \$ 40.15                       |
| December 3, 2007           | 100 Shares                           | \$ 40.145                      |
| December 3, 2007           | 1,000 Shares                         | \$ 40.14                       |
| December 3, 2007           | 600 Shares                           | \$ 40.13                       |
| December 3, 2007           | 100 Shares                           | \$ 40.125                      |
| December 3, 2007           | 700 Shares                           | \$ 40.12                       |
| December 3, 2007           | 2,700 Shares                         | \$ 40.11                       |
| December 3, 2007           | 500 Shares                           | \$ 40.10                       |
| December 3, 2007           | 1,100 Shares                         | \$ 40.09                       |
| December 3, 2007           | 100 Shares                           | \$ 40.08                       |
| December 3, 2007           | 300 Shares                           | \$ 40.06                       |
| December 3, 2007           | 100 Shares                           | \$ 40.05                       |
| December 3, 2007           | 300 Shares                           | \$ 40.04                       |
| December 3, 2007           | 100 Shares                           | \$ 40.03                       |
| December 3, 2007           | 400 Shares                           | \$ 40.02                       |
| December 3, 2007           | 700 Shares                           | \$ 40.01                       |
| December 3, 2007           | 6,800 Shares                         | \$ 40.00                       |
|                            | <b>Total 510,000 Shares</b>          |                                |