

Capitol Federal Financial Inc  
Form DEF 14A  
January 26, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.\_)

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to §240.14a-12

CAPITOL FEDERAL FINANCIAL, INC.

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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| 1) | Title of each class of securities to which transaction applies:   |
| 2) | Aggregate number of securities to which transaction applies:  |
| 3) | Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
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Fee paid previously with preliminary materials.

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|----|---|
| 1) | Amount previously paid:                       |
| 2) | Form, Schedule or Registration Statement No.: |
| 3) | Filing Party:                                 |
| 4) | Date Filed:                                   |

January 26, 2011

Dear Fellow Stockholder:

On behalf of the Board of Directors and management of Capitol Federal Financial, Inc. we cordially invite you to attend our annual meeting of stockholders. The meeting will be held at 10:00 a.m. local time on Tuesday, February 22, 2011, at the Bradbury Thompson Center, 1700 S.W. Jewell, located on the Washburn University Campus, in Topeka, Kansas.

We encourage you to attend the meeting in person. Whether or not you plan to attend, however, please read the enclosed proxy statement and then complete, sign and date the enclosed proxy card and return it in the accompanying postpaid return envelope as promptly as possible. Alternatively, you may vote over the Internet or by telephone if the enclosed proxy card so indicates. Your prompt response will save us additional expense in soliciting proxies and will ensure that your shares are represented at the meeting.

Your Board of Directors and management are committed to the success of Capitol Federal Financial, Inc. and the enhancement of your investment. As Chairman of the Board, I want to express my appreciation for your confidence and support.

Very truly yours,

/s/ John B. Dicus

JOHN B. DICUS  
Chairman of the Board, President and Chief  
Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD FEBRUARY 22, 2011

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of Capitol Federal Financial, Inc. will be held as follows:

TIME 10:00 a.m. local time  
Tuesday, February 22, 2011

PLACE Bradbury Thompson Center  
Washburn University Campus  
1700 S.W. Jewell  
Topeka, Kansas

I T E M S O F(1) The election of three directors.  
BUSINESS (2) An advisory (non-binding) vote on executive compensation as disclosed in the accompanying proxy statement.  
(3) An advisory (non-binding) vote on whether an advisory vote on executive compensation should be held every year, every two years or every three years.  
(4) The ratification of the appointment of Deloitte & Touche LLP as Capitol Federal Financial, Inc.'s independent auditors for the fiscal year ending September 30, 2011.

RECORD DATE Holders of record of Capitol Federal Financial, Inc. common stock at the close of business on January 11, 2011 are entitled to vote at the annual meeting or any adjournment or postponement thereof.

PROXY VOTING It is important that your shares be represented and voted at the annual meeting. You can vote your shares by completing and returning the enclosed proxy card. Registered stockholders, that is, stockholders who hold their stock in their own name, can also vote their shares over the Internet or by telephone. If Internet or telephone voting is available to you, voting instructions are printed on the proxy card sent to you. Regardless of the number of shares you own, your vote is very important. Please act today.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ John B. Dicus

JOHN B. DICUS  
Chairman of the Board, President and Chief  
Executive Officer

Important Notice Regarding the Availability of Proxy Materials

Edgar Filing: Capitol Federal Financial Inc - Form DEF 14A  
for the Annual Meeting of Stockholders to be held on February 22, 2011:

The proxy statement and annual report to stockholders are available at  
<http://ir.capfed.com/docs.aspx?iid=4044379>

Topeka, Kansas  
January 26, 2011

CAPITOL FEDERAL FINANCIAL, INC.  
700 S. Kansas Avenue  
Topeka, Kansas 66603  
(785) 235-1341

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PROXY STATEMENT

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INTRODUCTION

The Capitol Federal Financial, Inc. Board of Directors is using this proxy statement to solicit proxies from the holders of the Company's common stock for use at the Company's upcoming annual meeting of stockholders. The annual meeting of stockholders will be held at 10:00 a.m. local time on Tuesday, February 22, 2011 at the Bradbury Thompson Center, 1700 S.W. Jewell, located on the Washburn University Campus, in Topeka, Kansas. At the meeting, stockholders will be asked to vote on four proposals. The proposals are set forth in the accompanying Notice of Annual Meeting of Stockholders and are described in more detail below. Stockholders also will consider any other matters that may properly come before the meeting, although the Board of Directors knows of no other business to be presented. Capitol Federal Financial, Inc. is referred to in this proxy statement from time to time as the "Company," "we," "us" or "our." Certain of the information in this proxy statement relates to Capitol Federal Savings Bank ("Capitol Federal Savings" or the "Bank"), a wholly owned subsidiary of the Company.

On December 21, 2010, the Company completed its conversion (the "Conversion") from the mutual holding company structure and related public stock offering and is now a stock form holding company that is 100% owned by public stockholders. As a result of the Conversion, the Company, a newly formed Maryland corporation, became the holding company for Capitol Federal Savings, and Capitol Federal Financial (formerly the mid-tier holding company of Capitol Federal Savings) and Capitol Federal Savings Bank MHC (a mutual holding company that owned a majority of the stock of Capitol Federal Financial) have ceased to exist. All outstanding shares of Capitol Federal Financial common stock (other than those owned by Capitol Federal Savings Bank MHC, which have been cancelled) were converted into the right to receive 2.2637 shares of Company common stock (the "Conversion Exchange Ratio"). References in this proxy statement to the Company prior to the date of the Conversion refer to Capitol Federal Financial, and the financial information in the accompanying Annual Report to Stockholders for the fiscal year ended September 30, 2010 is for Capitol Federal Financial.

By submitting your proxy, either by executing and returning the enclosed proxy card or by voting electronically via the Internet or by telephone, you authorize the Company's Board of Directors to represent you and vote your shares at the meeting in accordance with your instructions. The Board of Directors also may vote your shares to adjourn the meeting from time to time and will be authorized to vote your shares at any adjournments or postponements of the meeting.

This proxy statement and the accompanying materials are being mailed to stockholders on or about January 26, 2011.

Your proxy vote is important. Whether or not you plan to attend the meeting, please submit your proxy promptly either in the enclosed envelope, via the Internet or by telephone.

INFORMATION ABOUT THE ANNUAL MEETING

What is the purpose of the annual meeting?

At the annual meeting, stockholders will be asked to vote on the following proposals:

- Proposal 1. The election of three directors of the Company.
- Proposal 2. An advisory (non-binding) vote on executive compensation as disclosed in this proxy statement.
- Proposal 3. An advisory (non-binding) vote on whether an advisory vote on executive compensation should be held every year, every two years or every three years.

Proposal 4. The ratification of the appointment of Deloitte & Touche LLP as the Company's independent auditors for the fiscal year ending September 30, 2011.

The stockholders also will transact any other business that may properly come before the meeting. Members of our management team will be present at the meeting to respond to appropriate questions from stockholders.

How does the Board of Directors recommend that I vote?

The Board of Directors recommends that you vote "FOR" the election of the director nominees named in this proxy statement, "FOR" the advisory vote on executive compensation, for a frequency of every "THREE YEARS" on whether an advisory vote on executive compensation should be held every year, every two years or every three years, and "FOR" the ratification of the appointment of Deloitte & Touche LLP.

Who is entitled to vote?

The record date for the meeting is January 11, 2011. Only stockholders of record at the close of business on that date are entitled to notice of and to vote at the meeting. The only class of stock entitled to be voted at the meeting is the Company's common stock. Each outstanding share of common stock is entitled to one vote for all matters before the meeting; provided, however, that pursuant to Section D of Article 5 of the Company's charter, no person who beneficially owns more than 10% of the shares of the Company's common stock outstanding as of that date may vote shares in excess of this amount. At the close of business on the record date there were 167,493,608 shares of common stock outstanding.

What if my shares are held in "street name" by a broker?

If you are the beneficial owner of shares held in "street name" by a broker, your broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If you do not give instructions to your broker, your broker nevertheless will be entitled to vote the shares with respect to "discretionary" items, but will not be permitted to vote your shares with respect to any "non-discretionary" items. In the case of non-discretionary items, the shares will be treated as "broker non-votes." Whether an item is discretionary is determined by the exchange rules governing your broker. It is expected that the ratification of the appointment of Deloitte & Touche LLP will be considered a discretionary item and that all other matters being voted upon will be considered non-discretionary items.

What if my shares are held in the Company's employee stock ownership plan?

We maintain an employee stock ownership plan which beneficially owns approximately 4.2% of the Company's common stock. Employees of the Company and Capitol Federal Savings participate in the employee stock ownership plan. Each participant may instruct the trustee of the plan how to vote the shares of common stock allocated to his or her account under the employee stock ownership plan. If a participant properly executes the voting instruction card distributed by the trustee, the trustee will vote the participant's shares in accordance with the instructions. Where properly executed voting instruction cards are returned to the trustee with no specific instruction as to how to vote at the annual meeting, the trustee will vote the shares "FOR" the election of the director nominees named in this proxy statement, "FOR" the advisory vote on executive compensation, for a frequency of every "THREE YEARS" on whether an advisory vote on executive compensation should be held ever year, every two years or every three years and "FOR" the ratification of the appointment of Deloitte & Touche LLP. In the event the participant fails to give timely voting instructions to the trustee with respect to the voting of the common stock that is allocated to his or her employee stock

ownership plan account, the trustee will vote such shares in the same manner as the trustee votes shares represented by properly executed voting instruction cards returned without specific voting instructions, as described in the preceding sentence. The trustee will vote the shares held in the employee stock ownership plan but not allocated to any participant's account in the same proportion as directed by the participants who directed the trustee as to the manner of voting their allocated shares in the employee stock ownership plan with respect to each proposal.



How many shares must be present to hold the meeting?

A quorum must be present at the meeting for any business to be conducted. The presence at the meeting, in person or by proxy, of the holders of at least one-third of the shares of the Company's common stock outstanding on the record date will constitute a quorum. Proxies received but marked as abstentions or broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

What if a quorum is not present at the meeting?

If a quorum is not present at the scheduled time of the meeting, the stockholders who are represented may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given. An adjournment will have no effect on the business that may be conducted at the meeting.

How do I vote?

1. You may vote by mail. If you properly complete and sign the accompanying proxy card and return it in the enclosed envelope, it will be voted in accordance with your instructions.
2. You may vote by telephone. If you are a registered stockholder, that is, if you hold your stock in your own name, you may vote by telephone by following the instructions included on the proxy card. If you vote by telephone, you do not have to mail in your proxy card.
3. You may vote on the internet. If you are a registered stockholder, that is, if you hold your stock in your own name, you may vote on the Internet by following the instructions included on the proxy card. If you vote on the Internet, you do not have to mail in your proxy card.
4. You may vote in person at the meeting. If you plan to attend the annual meeting and wish to vote in person, we will give you a ballot at the annual meeting. However, if your shares are held in the name of your broker, bank or other nominee, you will need to obtain a proxy form from the institution that holds your shares indicating that you were the beneficial owner of the Company's common stock on January 11, 2011, the record date for voting at the annual meeting.

Can I vote by telephone or on the Internet if I am not a registered stockholder?

If your shares are held in "street name" by a broker or other nominee, you should check the voting form used by that firm to determine whether you will be able to vote by telephone or on the Internet.

Can I change my vote after I submit my proxy?

If you are a registered stockholder, you may revoke your proxy and change your vote at any time before the polls close at the meeting by:

- \$ signing another proxy with a later date;
- \$ voting by telephone or on the Internet -- your latest telephone or Internet vote will be counted;
- \$ giving written notice of the revocation of your proxy to the Secretary of the Company prior to the annual meeting;
- or
- \$ voting in person at the annual meeting.

If you have instructed a broker, bank or other nominee to vote your shares, you must follow directions received from your nominee to change those instructions.

What if I do not specify how my shares are to be voted?

If you are a registered stockholder and you submit an executed proxy but do not indicate any voting instructions, your shares will be voted:

\$ FOR the election of the three director nominees named in this proxy statement;  
\$ FOR the advisory vote on executive compensation;  
\$for a frequency of every THREE YEARS on whether an advisory vote on executive compensation should be held every year, every two years or every three years; and  
\$FOR the ratification of the appointment of Deloitte & Touche LLP as the Company's independent auditors for the fiscal year ending September 30, 2011.

Will any other business be conducted at the annual meeting?

The Board of Directors knows of no other business that will be conducted at the meeting. If any other proposal properly comes before the stockholders for a vote at the meeting, however, the proxy holders will vote your shares in accordance with their best judgment.

How many votes are required to approve the proposals?

Director nominees who receive the highest number of votes for the positions to be filled will be elected. The advisory vote on executive compensation and the ratification of the appointment of Deloitte & Touche LLP as the Company's independent auditors requires the affirmative vote of the majority of votes cast on the matter. With respect to the frequency of the advisory vote on executive compensation, the choice receiving the greatest number of votes – every year, every two years or every three years – will be the frequency that stockholders will be deemed to have approved.

How will withheld votes and abstentions be treated?

If you withhold authority to vote for one or more director nominees or if you abstain from voting on any of the other proposals, your shares will still be included for purposes of determining whether a quorum is present. If you abstain from voting on the advisory vote on executive compensation or the ratification of the appointment of the independent auditors, your shares will be included in the number of shares voting on that proposal and, consequently, your abstention will have the same practical effect as a vote against that proposal. If you abstain from voting on the frequency of the advisory vote on executive compensation, your abstention will have no practical effect on the outcome of the vote.

How will broker non-votes be treated?

Shares treated as broker non-votes on one or more proposals will be included for purposes of calculating the presence of a quorum. Otherwise, shares represented by broker non-votes will be treated as shares not entitled to vote on a proposal. Consequently, any broker non-votes will have the following effects:

Proposal 1 Broker non-votes will have no effect on the election of directors or the and 3. vote on the frequency of the advisory vote on executive compensation.

Proposal 2 Broker non-votes will not be counted in determining the number of and 4. shares necessary for approval of the advisory vote on executive compensation or the ratification of the appointment of the Company's independent auditors and will, therefore, reduce the absolute number, but not the percentage, of the affirmative votes required for the approval of each of these proposals.



## STOCK OWNERSHIP

The following table presents information regarding the beneficial ownership of the Company's common stock, as of January 11, 2011, by:

- each director of the Company and nominee for election;
- each executive officer of the Company named in the "Summary Compensation Table" appearing below; and
- all of the executive officers, directors and director nominees as a group.

As of the time the printing of this proxy statement commenced, no beneficial owner of more than 5% of the outstanding shares of the Company's common stock was known to the Company.

The address of each of the beneficial owners, except where otherwise indicated, is the same address as that of the Company. An asterisk (\*) in the table indicates that the individual beneficially owns less than one percent of the outstanding common stock of the Company. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the "SEC"). As of January 11, 2011, there were 167,493,608 shares of the Company's common stock outstanding.

Name of Beneficial Owner	Beneficial Ownership(1) (8)	Percent of Common Stock Outstanding
Directors, Director Nominees and Executive Officers		
John B. Dicus, Chairman, President, Chief Executive Officer and Director	1,328,665(2)	*
B. B. Andersen, Director	155,308(3)	*
Morris J. Huey, II, Director	245,658	*
Jeffrey M. Johnson, Director	158,085(1)(4)	*
Michael T. McCoy, M.D., Director	141,294(1)	*
Jeffrey R. Thompson, Director	153,538(1)(5)	*
Marilyn S. Ward, Director	172,338	*
R. Joe Aleshire, Executive Vice President for Retail Operations	440,065	*
Larry K. Brubaker, Executive Vice President for Corporate Services	467,254(6)	*
Rick C. Jackson, Executive Vice President and Chief Lending Officer	127,206(1)	*
Kent G. Townsend, Executive Vice President and Chief Financial Officer	180,946(1)(7)	*
Directors, director nominees and executive officers of the Company as a group (12 persons)	3,617,180	2.2%

(1)

Included in the shares beneficially owned by the named individuals are options to purchase shares of the Company's common stock which are currently exercisable or which will become exercisable within 60 days after January 11, 2011, as follows: Mr. Johnson – 113,185 shares; Dr. McCoy – 113,185 shares; Mr. Thompson – 113,185 shares; Mr. Jackson – 36,216 shares and Mr. Townsend – 27,164 shares.

- (2) Mr. Dicus has pledged 90,548 of his shares for a line of credit with a third party financial institution unaffiliated with the Company.
- (3) Mr. Andersen has pledged 135,822 of his shares as collateral for a loan from a third party financial institution unaffiliated with the Company.
- (4) Of the shares beneficially owned by Mr. Johnson, 24,901 are held in brokerage accounts pursuant to which they may serve as security for margin loans.
- (5) Of the shares beneficially owned by Mr. Thompson, 23,090 are held in a brokerage account pursuant to which they may serve as security for a margin loan.
- (6) Includes 353,682 shares held in the Brubaker Family Trust of which Mr. Brubaker is a co-trustee with his spouse, 4,239 shares held solely by Mr. Brubaker's spouse and 742 shares which Mr. Brubaker holds jointly with his son. Excludes 45,274 shares held in a trust of which Mr. Brubaker is a beneficiary but not a trustee.

- (7) Mr. Townsend has pledged 97,339 of his shares as collateral for a loan from a third party financial institution unaffiliated with the Company.
- (8) Includes shares held directly, as well as shares held by and jointly with certain family members, shares held in retirement accounts, shares held by trusts of which the individual or group member is a trustee or substantial beneficiary or shares held in another fiduciary capacity with respect to which shares the individual or group member may be deemed to have sole or shared voting and/or investment powers. This amount also includes an aggregate of 425,572 shares of common stock issuable upon exercise of stock options which are currently exercisable or which will become exercisable within 60 days after January 11, 2011.

## PROPOSAL I

## ELECTION OF DIRECTORS

The Company's Board of Directors is composed of seven members, each of whom is also a director of Capitol Federal Savings. Approximately one-third of the directors are elected annually. Directors of the Company are elected to serve for a three-year term or until their respective successors are elected and qualified.

The following table sets forth certain information regarding the composition of the Company's Board of Directors, including each director's term of office. The Board of Directors, acting on the recommendation of the Nominating Committee, has recommended and approved the nominations of Jeffrey M. Johnson, Michael T. McCoy, M.D. and Marilyn S. Ward to serve as directors, each for a term of three years to expire at the annual meeting of stockholders to be held in 2014. It is intended that the proxies solicited on behalf of the Board of Directors (other than proxies in which the authority to vote for a nominee is withheld) will be voted at the annual meeting "FOR" the election of these director nominees. If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute nominee as the Board of Directors, acting on the recommendations of the Nominating Committee, may recommend. At this time, the Board of Directors knows of no reason why any nominee might be unable to serve if elected. Except as disclosed in this proxy statement, there are no arrangements or understandings between any nominee and any other person pursuant to which the nominee was selected.

Name	Age(1)	Position(s) Held in the Company	Director Since(2)	Term of Office Expires
NOMINEES				
Jeffrey M. Johnson Michael T. McCoy, M.D.	44	Director	2005	2014