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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): October 21, 2004

**FIRSTCITY FINANCIAL CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of incorporation)

**033-19694**  
(Commission File No.)

**76-0243729**  
(IRS Employer Identification No.)

**6400 Imperial Drive**  
**Waco, Texas 76712**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (254) 751-1750**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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))
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## **Section 7- Regulation FD**

### **Item 7.01 Regulation FD Disclosure.**

On October 21, 2004, James T. Sartain, President and CEO of FirstCity Financial Corporation will make a presentation at an investor conference using slides containing the information attached to this Form 8-K as Exhibit 99.1. FirstCity expects to use such slides, possibly with variations, at other investor presentations after that date. We are furnishing the text of these slides pursuant to the Securities and Exchange Commission's Regulation FD. This information is furnished pursuant to Item 9.01 of Form 8-K and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, unless we specifically incorporate it by reference in a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934. By filing this report on Form 8-K and furnishing this information, we make no admission as to the materiality of any information in this report.

The information contained in the slides is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this report, although we may do so from time to time as our management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

## **Section 9 - Financial Statements and Exhibits**

### **Item 9.01 Financial Statements and Exhibits**

(c) Exhibits

99.1 - Text of Investor Conference Slideshow for October 21, 2004.

## **SIGNATURES**

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.

### **FIRSTCITY FINANCIAL CORPORATION**

Date: October 21, 2004

By: /s/ J. Bryan Baker  
J. Bryan Baker  
Senior Vice President and Chief Financial Officer

**Text of Investor Conference Slideshow from October 21, 2004**



## ***Whitebox Market Observer***

**Investor Conference  
October 21, 2004  
Lake Tahoe**

**NASDAQ: FCFC / FCFCO  
WWW.FCFC.COM**

# Cautionary Statement Regarding Forward Looking Statements

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- Statements in this presentation that are not historical facts, including, but not limited to, statements relating to future operations, results or performance, projections of revenues, income or loss, or plans or objectives of management for future operations, are hereby identified as “forward looking statements” for the purpose of the safe harbor under the Private Securities Litigation Reform Act of 1995. FirstCity cautions that such “forward looking statements” are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those implied, projected or predicted in such statements. In particular, with respect to the pending sale of the FirstCity’s interest in Drive Financial Services, L.P. and the effects of that sale on the future operations and performance of the FirstCity, it should be noted that while the FirstCity and the purchasers have executed a purchase agreement, there can be no assurance that the transaction will be completed as proposed or at all, as the closing of the sale is subject to the satisfaction of closing conditions which if not achieved could result in the termination of the agreement. When any such forward looking statement includes a statement of assumptions underlying such forward looking statement, FirstCity cautions that, while such assumptions are believed to be reasonable and are made in good faith, assumed facts almost always vary from actual results, and the differences between assumed facts and actual results can be material depending upon the circumstances. Factors that could cause actual results to materially differ from the forward looking statements contained in the presentation include, but are not limited to, the failure of certain contingencies or conditions to closing of the Drive sale to be satisfied as well as other risks and factors more fully discussed and identified under Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” risk factors and other risks identified in FirstCity’s Annual Report on Form 10-K for the year ended December 31, 2003 and in FirstCity’s other filings with the SEC.
- The forward-looking statements in this presentation speak only as of the date of this presentation. FirstCity expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in FirstCity’s expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.



***A Vision of Change***

# A Vision of Change



## FirstCity Today





# Recapitalization

Dec. '02



## Selected Balance Sheet Data

\$millions

	<u>2001</u>	<u>2002</u>
Cash	\$ 5.6	\$ 4.1
Portfolio Assets	79.3	77.7
Consumer	10.2	9.1
Deferred Tax Asset	20.1	20.1
Discontinued Operations	16.7	7.8
Notes Payable	91.2	96.7
Preferred Stock	32.1	3.7
Shareholder Equity	\$ 3.9	\$ 18.8
<b>Book Value Per Share</b>	<b>\$ .46</b>	<b>\$ 2.20</b>



## **Return to Profit Plan**

Increase investment and servicing revenues

Grow Drive core earnings

Reduce corporate overhead

Eliminate losses from discontinued operations



## Earnings Summary

	<u>2002</u>	<u>2003</u>	Six months ended June 30, <u>2004</u>
Portfolio Asset Acquisition and Consumer	\$11.2 3.5	\$14.5 5.3	\$6.5 6.3
Corporate interest, dividends and Loss from discontinued operations	-11.2 -9.7	-10.2 -0.5	-4.4 <u>-0.3</u>
Net earnings (loss) to common	-6.2	9.1	8.1
Earnings Per Share	-\$0.74	\$0.80	\$0.69



## Exit Auto Finance



## **FirstCity Financial Announces Intent To Sell 31% Interest In Drive Financial Services LP for \$86.8 Million**

**WACO, TEXAS, September 22, 2004...**FirstCity Financial Corporation (NASDAQ: FCFC) today announced that it has entered into a definitive agreement to sell its 31% beneficial interest in Drive Financial Services LP and Drive GP LLC (collectively “Drive”) for \$86.8 million. Depending on the timing of closing, the sale should result in the recognition by FirstCity of a gain of between \$52 million and \$57 million or between \$4.40 and \$4.82 per share of common stock.....



## Effect of Drive Sale

Book Value of FirstCity @ June 30, 2004	\$35.9 million
Book Value Per Share @ June 30, 2004	\$3.04 per share

	<u>From</u>	<u>To</u>
Estimated Gain on Sale of Drive Interest	\$ 52 mil.	\$ 57 mil.
Estimated Gain - Per Share	\$ 4.40	\$ 4.82
Estimated Book Value after sale	\$ 7.44	\$ 7.86



Strengthen Liquidity

# Strengthen Liquidity



## Reduction of Debt

(\$ millions)

Debt Outstanding at 6/30/2004	\$102.6
Less: Expected paydown from sale	<u>(67.0)</u>
Remaining Debt Outstanding	\$35.6

# Strengthen Liquidity



## New and Existing Credit Lines

(\$ millions)

New BOS Line of Credit	\$ 96.0
Less: Remaining BOS Debt	\$ 35.6
Remaining BOS Credit Lines Available	<u>\$ 60.4</u>
Plus: Existing Cargill Line Availability	\$ 35.0
Net available credit lines for future investments	<u><u>\$ 95.4</u></u>



# Grow Core Business



## **FirstCity Commercial Corporation Business Description**

Acquisition, management, and resolution of portfolios of performing and nonperforming loans and assets owned or sold by government agencies, banks and other lenders.



## **FirstCity Commercial Corporation Business Summary**

- **Founded in 1986, one of the oldest Distressed Asset Management companies of its kind in the world**
- **\$8 billion in assets acquired and managed**
- **Partnered with various global capital partners**
- **Assets acquired in every state in the U.S., as well as international acquisitions in France, Italy, Germany, Mexico, Japan, Thailand, Argentina and Chile**
- **International asset management platforms in France, Mexico and Argentina**
- **Management team averages over 20 years experience in banking, finance and debt resolution**



## Historical Acquisitions

	Domestic	Europe	Latin America	Total	Invested Equity
YTD					
6/30/2004	\$41.8	\$ 9.8	\$40.9	\$92.5	\$21.8
2003	\$92.6	\$31.2	\$ 5.4	\$129.2	\$22.9
2002	\$61.4	\$98.7	\$11.7	\$171.8	\$16.7

# Grow Core Business



## Growth of Portfolio Assets (Balance Sheet)

\$ millions

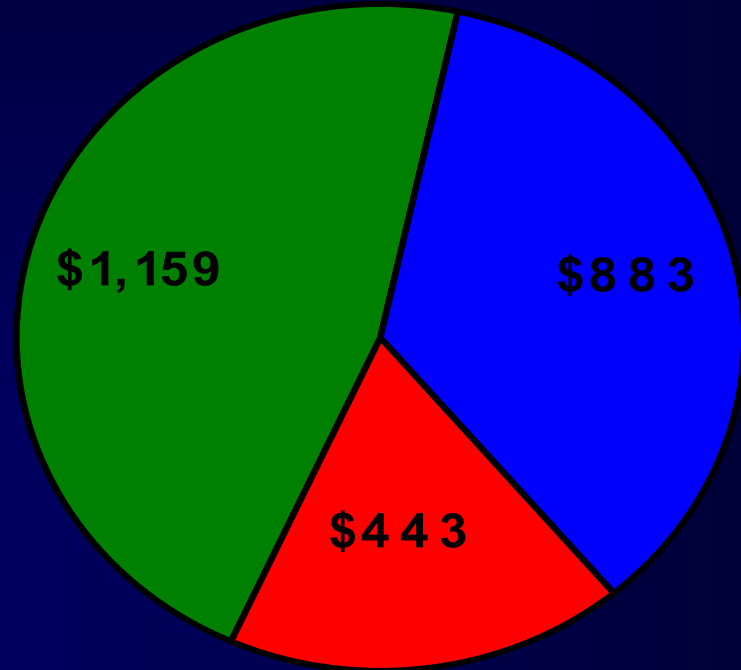




## Total Servicing Portfolio \$2.4 Billion

(Smillions)

Latin  
America



Europe

Domestic



## Market Environment

- U.S.
- Europe
- Latin America



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Create Future Value

Create Future Value

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**Maximize Use of Net Operating Loss Carryforwards**

**Grow Return on Shareholders Equity**

**Increase Share Price**



## Maximize Benefits Of NOLs

**\$713 million**

\$ MILLIONS

\$600

Expiration of Existing NOL's

\$53

\$193

\$153

\$13

\$100

\$69

\$ -

\$14

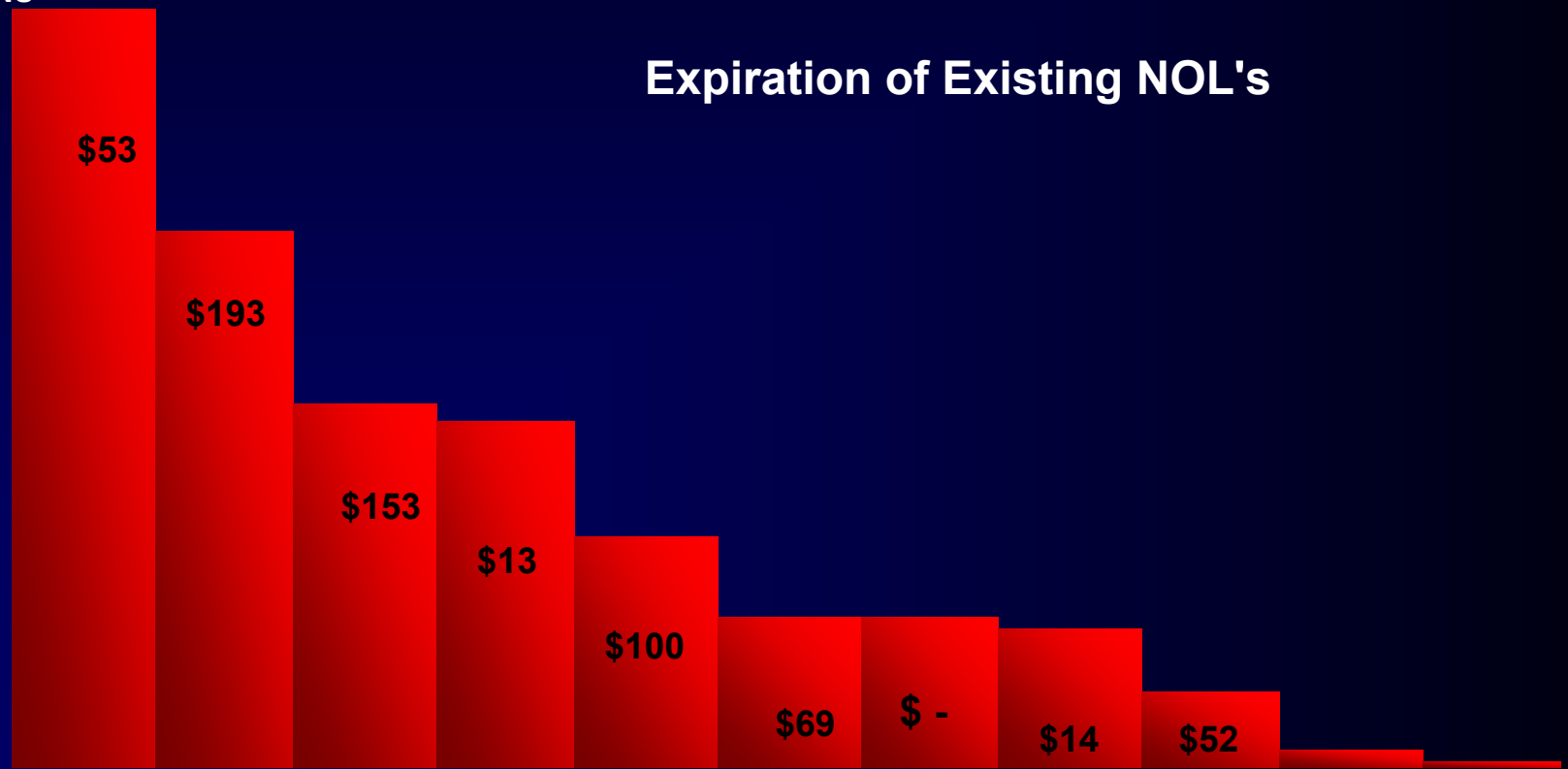
\$52

\$0

2005

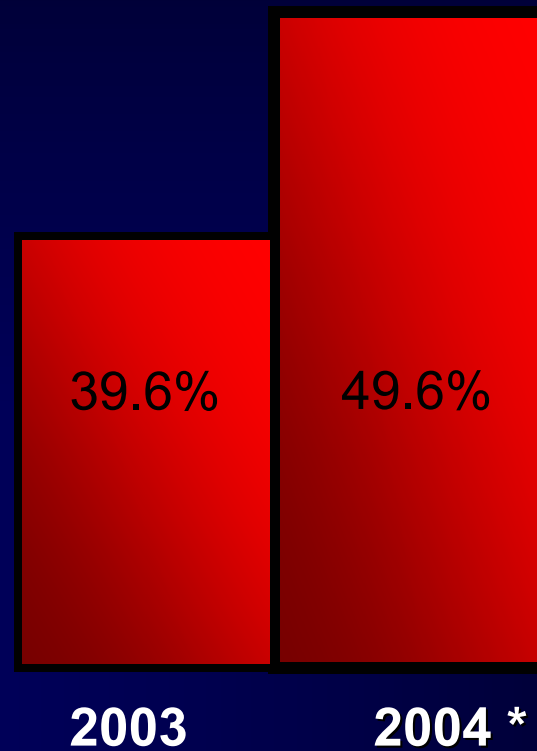
2010

2022





## Grow Return on Shareholder's Equity

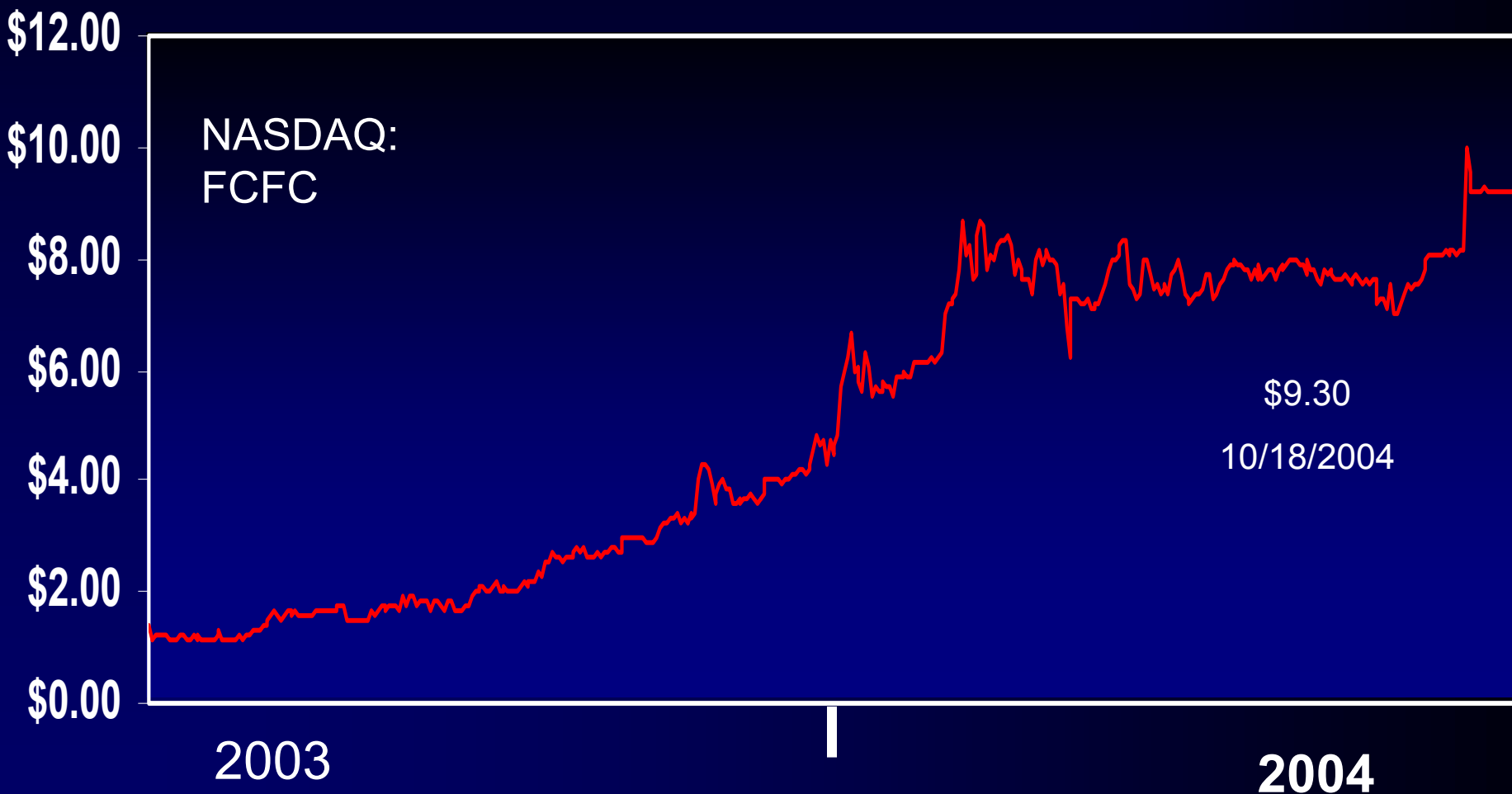


\* thru June 30, 2004 annualized

# Create Future Value



## Increase Share Price





## Summary

- Recapitalization
  - Exit Auto Finance
    - Strengthen Liquidity
      - Grow Core Business
        - Create Future Value



***A Vision of Change***

**(NASDAQ: FCFC / FCFCO)**

**WWW.FCFC.COM**