

DOWNEY FINANCIAL CORP  
Form 8-K  
June 18, 2007

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

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 22, 2007**

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**DOWNEY FINANCIAL CORP.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-13578**  
(Commission File Number)

**33-0633413**  
(IRS Employer Identification  
Number)

**3501 Jamboree Road**  
**Newport Beach, California**  
(Address of principal executive  
offices)

**92660**  
(Zip Code)

Registrant's telephone number, including area code: **(949) 854-0300**

**Not Applicable**

(Former name or former address, if changed since last report)

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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:

- 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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**Item 1.01 Entry into a Material Definitive Agreement**

Effective May 22, 2007, Downey Savings and Loan Association, F.A. (the "Bank"), a wholly-owned subsidiary of Downey Financial Corp. promoted Robert Suarez, previously Senior Vice President, Chief Demand Officer - I.T., to the position of Executive Vice President, Chief Information Officer. Mr. Suarez's annual base salary will be \$285,000. He will also be eligible for an annual bonus (targeted at 50% of his base

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salary) under the Bank's Annual Incentive Plan, and will be eligible for certain payments upon a change in control of the Bank pursuant to a Change in Control Agreement entered into with the Bank in the form set out on Exhibit 10.17 to the Downey Financial Corp. 2006 Annual Report on Form 10-K. Mr. Suarez is eligible to participate in the employee benefit programs (including medical, dental and other insurance programs) generally available to all full-time employees. Mr. Suarez replaces Francisco de Cordova, who resigned effective May 7, 2007.

**Item 8.01 Other Events**

The information contained in Item 1.01 regarding the appointment and departure of certain executive officers of the Bank is incorporated in this Item 8.01 by reference.

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**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.

**DOWNEY FINANCIAL CORP.**  
(Registrant)

Date: June 15, 2007

By           /s/ Jon A. MacDonald            
Jon A. MacDonald  
Corporate Secretary