

KEYCORP /NEW/
Form 8-K
January 12, 2009

**UNITED STATES
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): January 12, 2009**

(Exact name of registrant as specified in charter)

001-11302

(Commission File Number)

OHIO

(State or other jurisdiction of incorporation)

34-6542451

(I.R.S. Employer Identification No.)

127 Public Square

Cleveland, Ohio 44114-1306

(Address of principal executive offices and zip code)

(216) 689-6300

(Registrant's telephone number, including area code)

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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Section 7 Regulation FD

Item 7.01 Regulation FD Disclosure.

Several recent news reports have indicated that the KeyBank Real Estate Capital Markets unit of KeyCorp is an unsecured creditor on a \$117.7 million loan to real estate developer Jackson Green LLC, of Minocqua, Wisconsin, which recently filed this information as part of a list of credits it submitted with its bankruptcy filing. (See Jackson Green LLC, 1-09-10099, U.S. Bankruptcy Court, Western District of Wisconsin). This is in error. The actual amount should have been referenced as \$17.7 million, not \$117.7 million. In addition, the loan was not originated by any KeyCorp unit. The loan was originated by another unrelated financial institution and then sold by that financial institution to a securitization trust for which KeyCorp Real Estate Capital Markets, Inc. acts in the capacity as Master Servicer. Although a unit of KeyCorp services or administers the \$17.7 million loan to Jackson Green, no KeyCorp entity is the creditor on the loan and no KeyCorp entity will suffer the consequences of a default on the loan other than the possible de minimis loss of associated servicing revenue.

The information set forth in this Item 7.01 is furnished and not filed for purposes of the Securities Exchange Act of 1934, as amended.

Forward-Looking Statements. *This filing contains forward-looking statements, including statements about our financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements express management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Although management believes that the expectations and forecasts reflected in these forward-looking statements are reasonable, actual results could differ materially due to a variety of factors including: (1) changes in interest rates; (2) changes in trade, monetary or fiscal policy; (3) continued disruption in the fixed income markets; (4) adverse capital markets conditions; (5) changes in general economic conditions; or in the condition of the local economies or industries in which we have significant operations or assets, which could, among other things materially impact credit quality trends and our ability to generate loans; (6) increased competitive pressure among financial services companies; (7) the inability to successfully execute strategic initiatives designed to grow revenues and/or manage expenses; (8) consummation of significant business combinations or divestitures; (9) operational or risk management failures due to technological or other factors; (10) changes in accounting or tax practices or requirements; (11) new legal obligations or liabilities or unfavorable resolution of litigation; (12) heightened regulatory practices, requirements or expectations; and (13) disruption in the economy and general business climate as a result of terrorist activities or military actions. Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. We do not assume any obligation to update these forward-looking statements.*

SIGNATURE

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 thereunto duly authorized.

KEYCORP

(Registrant)

Date: January 12, 2009

/s/ Daniel R. Stolzer

By: Daniel R. Stolzer

Vice President and Deputy General
Counsel