

GAMCO INVESTORS, INC. ET AL
Form 10-Q
May 06, 2010

SECURITIES & EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2010
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from ___ to ___

Commission File No. 1-106

GAMCO INVESTORS, INC.
(Exact name of Registrant as specified in its charter)

New York
(State of other jurisdiction
of incorporation or
organization)

13-4007862
(I.R.S. Employer
Identification No.)

One Corporate Center, Rye,
NY
(Address of principle
executive offices)

10580-1422
(Zip Code)

(914) 921-5100

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yesx Noo

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yeso Noo

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock, as of the latest practical date.

Class	Outstanding at April 30, 2010
Class A Common Stock, .001 par value	7,102,097
Class B Common Stock, .001 par value	20,292,917

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GAMCO INVESTORS, INC. AND SUBSIDIARIES

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- March 31, 2009

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GAMCO INVESTORS, INC. AND SUBSIDIARIES		
CONDENSED CONSOLIDATED STATEMENTS OF INCOME		
UNAUDITED		
(Dollars in thousands, except per share data)		
	Three Months Ended	
	March 31,	
	2010	2009
Revenues		
Investment advisory and incentive fees	\$ 49,342	\$ 35,199
Institutional research services	3,424	3,650
Distribution fees and other income	7,232	4,510
Total revenues	59,998	43,359
Expenses		
Compensation	26,213	20,785
Management fee	2,448	1,349
Distribution costs	7,031	5,422
Other operating expenses	4,936	4,301
Total expenses	40,628	31,857
Operating income	19,370	11,502
Other income (expense)		
Net gain from investments	5,232	2,592
Interest and dividend income	815	1,278
Interest expense	(3,292)	(3,234)
Total other income, net	2,755	636
Income before income taxes	22,125	12,138
Income tax provision	8,294	3,988
Net income	13,831	8,150
Net income (loss) attributable to noncontrolling interests	105	(62)
Net income attributable to GAMCO Investors, Inc.'s shareholders	\$ 13,726	\$ 8,212
Net income attributable to GAMCO Investors, Inc.'s shareholders		
per share:		
Basic	\$ 0.50	\$ 0.30
Diluted	\$ 0.50	\$ 0.30
Weighted average shares outstanding:		
Basic	27,184	27,379

Diluted	28,148	27,386
Dividends declared:	\$ 0.03	\$ 0.03

See accompanying notes.

GAMCO INVESTORS, INC. AND SUBSIDIARIES			
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION			
UNAUDITED			
(Dollars in thousands, except per share data)			
	March 31,	December	March 31,
	2010	31,	2009
		2009	2009
ASSETS			
Cash and cash equivalents, including restricted cash of \$62,265, \$62,258 and \$22,199, respectively	\$ 411,365	\$ 400,528	\$ 415,854
Investments in securities, including restricted securities of \$0, \$0 and \$39,968, respectively	177,001	157,403	165,614
Investments in partnerships	70,744	62,655	56,244
Receivable from brokers	25,368	30,072	12,911
Investment advisory fees receivable	18,858	35,685	12,044
Income tax receivable and deferred tax assets	-	-	23,913
Other assets	21,289	21,466	18,695
Total assets	\$ 724,625	\$ 707,809	\$ 705,275
LIABILITIES AND EQUITY			
Payable to brokers	\$ 4,394	\$ 395	\$ 2,149
Income taxes payable and deferred tax liabilities	7,548	8,523	-
Capital lease obligation	5,239	5,265	5,313
Compensation payable	21,335	13,302	15,129
Securities sold, not yet purchased	9,063	9,569	3,570
Mandatorily redeemable noncontrolling interests	1,636	1,622	1,388
Accrued expenses and other liabilities	23,333	25,157	21,034
Sub-total	72,548	63,833	48,583
5.5% Senior notes (due May 15, 2013)	99,000	99,000	99,000
6% Convertible note (due August 14, 2011)	39,873	39,851	39,787
6.5% Convertible note (due October 2, 2018)	60,000	60,000	60,000

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Total liabilities	271,421	262,684	247,370
Redeemable noncontrolling interests	1,464	1,464	3,168
Commitments and contingencies (Note J)			
Equity			
GAMCO Investors, Inc. stockholders' equity			
Class A Common Stock, \$0.001 par value; 100,000,000 shares authorized; 13,119,776, 13,120,276 and 13,033,062 issued, respectively; 7,131,297, 7,311,997 and 7,381,283 outstanding, respectively	13	13	13
Class B Common Stock, \$0.001 par value; 100,000,000 shares authorized; 24,000,000 shares issued; 20,292,917, 20,292,917 and 20,370,931 shares outstanding, respectively	20	20	20
Additional paid-in capital	252,987	251,591	247,128
Retained earnings	423,374	410,473	420,841
Accumulated comprehensive income	20,871	19,088	17,121
Treasury stock, at cost (5,988,479, 5,808,279 and 5,651,779 shares, respectively)	(249,604)	(241,567)	(234,537)
Total GAMCO Investors, Inc. stockholders' equity	447,661	439,618	450,586
Noncontrolling interests	4,079	4,043	4,151
Total equity	451,740	443,661	454,737
Total liabilities and equity	\$ 724,625	\$ 707,809	\$ 705,275

See accompanying notes.

GAMCO INVESTORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY AND COMPREHENSIVE INCOME
UNAUDITED
(In thousands)

For the three months ended March 31, 2010

GAMCO Investors, Inc. shareholders

	Noncontrolling Interests	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Comprehensive Income	Treasury Stock	Total	Redeemable Noncontrolling Interests	Comprehensive Income
Balance at December 31, 2009	\$ 4,043	\$ 33	\$ 251,591	\$ 410,473	\$ 19,088	\$(241,567)	\$ 443,661	\$ 1,464	\$ -
Redemption of noncontrolling interests	-	-	-	-	-	-	-	(475)	-
Contributions of noncontrolling interests	-	-	-	-	-	-	-	406	-
Net income	36	-	-	13,726	-	-	13,762	69	13,831
Net unrealized gains on securities available for sale, net of income tax (\$1,067)	-	-	-	-	1,816	-	1,816	-	1,816
Foreign currency translation	-	-	-	-	(33)	-	(33)	-	(33)
Dividends declared (\$0.03 per share)	-	-	-	(825)	-	-	(825)	-	-
Stock based compensation expense	-	-	1,383	-	-	-	1,383	-	-
Exercise of stock options including tax benefit	-	-	13	-	-	-	13	-	-
Purchase of treasury stock	-	-	-	-	-	(8,037)	(8,037)	-	-
Balance at March 31, 2010	\$ 4,079	\$ 33	\$ 252,987	\$ 423,374	\$ 20,871	\$(249,604)	\$ 451,740	\$ 1,464	\$ 15,614

See accompanying notes.

