

GAMCO INVESTORS, INC. ET AL
Form 10-Q
August 03, 2017
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 June 30, 2017

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. 001-14761

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

Delaware 13-4007862
(State of other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

One Corporate Center, Rye, NY 10580-1422
(Address of principle executive offices) (Zip Code)

(914) 921-3700
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.

Yes No

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).

Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company o Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 July 31, 2017
Class A Common Stock, .001 par value (Including 420,240 restricted stock awards)	10,208,724
Class B Common Stock, .001 par value	19,092,168

INDEX

GAMCO INVESTORS, INC. AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Income:

- Three months ended June 30, 2017 and 2016
- Six months ended June 30, 2017 and 2016

Condensed Consolidated Statements of Comprehensive Income:

- Three months ended June 30, 2017 and 2016
- Six months ended June 30, 2017 and 2016

Condensed Consolidated Statements of Financial Condition:

- June 30, 2017
- December 31, 2016
- June 30, 2016

Condensed Consolidated Statements of Equity:

- Six months ended June 30, 2017 and 2016

Condensed Consolidated Statements of Cash Flows:

- Six months ended June 30, 2017 and 2016

Notes to Unaudited Condensed Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures About Market Risk (Included in Item 2)

Item 4. Controls and Procedures

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 6. Exhibits

SIGNATURES

GAMCO INVESTORS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 UNAUDITED

(Dollars in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues				
Investment advisory and incentive fees	\$76,625	\$72,794	\$151,614	\$143,642
Distribution fees and other income	10,975	11,150	21,903	21,687
Total revenues	87,600	83,944	173,517	165,329
Expenses				
Compensation	29,437	20,623	54,715	40,897
Management fee	2,356	1,133	4,520	2,213
Distribution costs	10,795	10,501	21,708	21,218
Other operating expenses	5,352	4,940	10,471	9,312
Total expenses	47,940	37,197	91,414	73,640
Operating income	39,660	46,747	82,103	91,689
Other income (expense)				
Net gain/(loss) from investments	(14)	240	26	463
Interest and dividend income	551	365	1,020	733
Interest expense	(2,749)	(3,168)	(5,581)	(6,574)
Total other income/(expense), net	(2,212)	(2,563)	(4,535)	(5,378)
Income before income taxes	37,448	44,184	77,568	86,311
Income tax provision	14,554	16,641	29,854	32,743
Net income attributable to GAMCO Investors, Inc.'s shareholders	\$22,894	\$27,543	\$47,714	\$53,568
Net income attributable to GAMCO Investors, Inc.'s shareholders per share:				
Basic	\$0.79	\$0.94	\$1.65	\$1.83
Diluted	\$0.76	\$0.93	\$1.58	\$1.82
Weighted average shares outstanding:				
Basic	28,896	29,234	28,933	29,241
Diluted	31,100	29,522	31,130	29,510
Dividends declared:	\$0.02	\$0.02	\$0.04	\$0.04

See accompanying notes.

GAMCO INVESTORS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 UNAUDITED

(Dollars in thousands, except per share data)

	Three Months		Six Months Ended	
	Ended		June 30,	
	June 30,	June 30,	June 30,	June 30,
	2017	2016	2017	2016
Net income	\$22,894	\$27,543	\$47,714	\$53,568
Other comprehensive gain/(loss), net of tax:				
Foreign currency translation	37	(65)	47	(93)
Net unrealized losses on securities available for sale (a)	1,259	(2,766)		