

Evercore Partners Inc.  
Form 10-Q  
November 08, 2011  
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**UNITED STATES**  
**SECURITIES AND 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 September 30, 2011

OR

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

For the transition period from            to

001-32975

(Commission File Number)

**EVERCORE PARTNERS INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**20-4748747**  
(I.R.S. Employer  
Identification No.)

**55 East 52<sup>nd</sup> Street**  
**38th floor**

**New York, New York 10055**

(Address of principal executive offices)

**Registrant's telephone number: (212) 857-3100**

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 (§232.405 of this chapter) 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, 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"/>

(Do not check if a smaller reporting company)

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

The number of shares of the registrant's Class A common stock, par value \$0.01 per share, outstanding as of November 2, 2011 was 27,478,422. The number of shares of the registrant's Class B common stock, par value \$0.01 per share, outstanding as of November 2, 2011 was 47 (excluding 53 shares of Class B common stock held by a subsidiary of the registrant).

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*In this report, references to Evercore, the Company, we, us, our refer to Evercore Partners Inc., a Delaware corporation, and its consolidated subsidiaries. Unless the context otherwise requires, references to (1) Evercore Partners Inc. refer solely to Evercore Partners Inc., and not to any of its consolidated subsidiaries and (2) Evercore LP refer solely to Evercore LP, a Delaware limited partnership, and not to any of its consolidated subsidiaries. References to the IPO refer to our initial public offering on August 10, 2006 of 4,542,500 shares of our Class A common stock, including shares issued to the underwriters of the IPO pursuant to their election to exercise in full their overallotment option.*

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**PART I. FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements (Unaudited)**  
**Condensed Consolidated Financial Statements (Unaudited)**

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(dollars in thousands, except per share data)

	September 30, 2011	December 31, 2010
<b>Assets</b>		
Current Assets		
Cash and Cash Equivalents	\$ 243,926	\$ 141,337
Marketable Securities	62,758	92,830
Financial Instruments Owned and Pledged as Collateral at Fair Value	102,100	52,217
Securities Purchased Under Agreements to Resell	56,331	126,401
Accounts Receivable (net of allowances of \$748 and \$768 at September 30, 2011 and December 31, 2010, respectively)	66,216	49,625
Receivable from Employees and Related Parties	6,882	3,465
Deferred Tax Assets - Current	4,694	5,092
Other Current Assets	22,726	9,982
<b>Total Current Assets</b>	<b>565,633</b>	<b>480,949</b>
Investments	64,193	60,617
Deferred Tax Assets - Non-Current	182,146	134,161
Furniture, Equipment and Leasehold Improvements (net of accumulated depreciation and amortization of \$12,963 and \$11,302 at September 30, 2011 and December 31, 2010, respectively)	14,974	14,923
Goodwill	176,937	139,031
Intangible Assets (net of accumulated amortization of \$20,052 and \$13,337 at September 30, 2011 and December 31, 2010, respectively)	46,662	49,232
Assets Segregated for Bank Regulatory Requirements	10,200	10,200
Other Assets	9,080	8,972
<b>Total Assets</b>	<b>\$ 1,069,825</b>	<b>\$ 898,085</b>
<b>Liabilities and Equity</b>		
Current Liabilities		
Accrued Compensation and Benefits	\$ 113,930	\$ 82,943
Accounts Payable and Accrued Expenses	18,049	12,558
Securities Sold Under Agreements to Repurchase	158,618	178,683
Payable to Employees and Related Parties	20,075	4,181
Taxes Payable	3,590	404
Other Current Liabilities	14,678	8,204
<b>Total Current Liabilities</b>	<b>328,940</b>	<b>286,973</b>
Notes Payable	99,256	98,082
Amounts Due Pursuant to Tax Receivable Agreements	142,512	97,427
Other Long-term Liabilities	16,761	22,956
<b>Total Liabilities</b>	<b>587,469</b>	<b>505,438</b>
Commitments and Contingencies (Note 16)		
Redeemable Noncontrolling Interest	21,818	25,406
Equity		
Evercore Partners Inc. Stockholders' Equity		
Common Stock		

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Class A, par value \$0.01 per share (1,000,000,000 shares authorized, 30,133,001 and 21,497,691 issued at September 30, 2011 and December 31, 2010, respectively, and 27,425,575 and 19,983,646 outstanding at September 30, 2011 and December 31, 2010, respectively)	301	215
Class B, par value \$0.01 per share (1,000,000 shares authorized, 47 and 48 issued and outstanding at September 30, 2011 and December 31, 2010, respectively)		
Additional Paid-In-Capital	550,385	400,719
Accumulated Other Comprehensive Income (Loss)	(10,980)	(4,193)
Retained Earnings (Deficit)	(69,353)	(61,504)
Treasury Stock at Cost (2,707,426 and 1,514,045 shares at September 30, 2011 and December 31, 2010, respectively)	(68,996)	(34,538)
Total Evercore Partners Inc. Stockholders Equity	401,357	300,699
Noncontrolling Interest	59,181	66,542
Total Equity	460,538	367,241
Total Liabilities and Equity	\$ 1,069,825	\$ 898,085

See Notes to Unaudited Condensed Consolidated Financial Statements.

**Table of Contents****EVERCORE PARTNERS INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(UNAUDITED)**

(dollars and share amounts in thousands, except per share data)

	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Revenues</b>				
Investment Banking Revenue	\$ 139,995	\$ 101,367	\$ 337,743	\$ 224,794
Investment Management Revenue	25,483	23,543	80,443	51,199
Other Revenue, Including Interest	3,038	4,661	11,009	18,106
<b>Total Revenues</b>	<b>168,516</b>	<b>129,571</b>	<b>429,195</b>	<b>294,099</b>
Interest Expense	4,573	5,853	15,416	17,390
<b>Net Revenues</b>	<b>163,943</b>	<b>123,718</b>	<b>413,779</b>	<b>276,709</b>
<b>Expenses</b>				
Employee Compensation and Benefits	114,805	82,267	285,829	183,750
Occupancy and Equipment Rental	6,039	5,129	16,956	13,087
Professional Fees	9,505	5,935	25,724	20,651
Travel and Related Expenses	5,871	4,441	15,884	11,790
Communications and Information Services	1,678	1,455	5,860	4,246
Depreciation and Amortization	4,918	3,379	10,980	6,677
Special Charges	3,601		3,601	
Acquisition and Transition Costs	1,178	385	2,312	3,121
Other Operating Expenses	4,624	3,031	12,567	8,004
<b>Total Expenses</b>	<b>152,219</b>	<b>106,022</b>	<b>379,713</b>	<b>251,326</b>
<b>Income Before Income (Loss) from Equity Method Investments and Income Taxes</b>				
	11,724	17,696	34,066	25,383
Income (Loss) from Equity Method Investments	195	(131)	664	(441)
<b>Income Before Income Taxes</b>	<b>11,919</b>	<b>17,565</b>	<b>34,730</b>	<b>24,942</b>
Provision for Income Taxes	10,626	8,547	20,861	11,508
<b>Net Income</b>	<b>1,293</b>	<b>9,018</b>	<b>13,869</b>	<b>13,434</b>
Net Income (Loss) Attributable to Noncontrolling Interest	(466)	5,488	6,261	7,767
<b>Net Income Attributable to Evercore Partners Inc.</b>	<b>\$ 1,759</b>	<b>\$ 3,530</b>	<b>\$ 7,608</b>	<b>\$ 5,667</b>
Net Income Attributable to Evercore Partners Inc. Common Shareholders	\$ 1,738	\$ 3,509	\$ 7,545	\$ 5,614
<b>Weighted Average Shares of Class A Common Stock Outstanding</b>				
Basic	28,967	18,973	25,146	18,901
Diluted	31,235	21,091		