

Calamos Asset Management, Inc. /DE/

Form 10-Q

November 07, 2012

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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED: September 30, 2012

or

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

Commission File Number: 000-51003

CALAMOS ASSET MANAGEMENT, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

32-0122554
(I.R.S. Employer
Identification No.)

2020 Calamos Court, Naperville, Illinois
(Address of Principal Executive Offices)

60563
(Zip Code)

(630) 245-7200
(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. R 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). R 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.

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

At October 31, 2012, the company had 20,386,015 shares of Class A common stock and 100 shares of Class B common stock outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

CALAMOS ASSET MANAGEMENT, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands, except share data)

| | September 30, 2012 (unaudited) | December 31, 2011 |
|---|---|-------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 117,901 | \$ 102,166 |
| Receivables: | | |
| Affiliates and affiliated funds | 18,569 | 18,492 |
| Customers | 11,030 | 10,035 |
| Investment securities | 344,224 | 318,496 |
| Derivative assets | 47 | 1,018 |
| Partnership investments, net | 36,559 | 33,056 |
| Prepaid expenses | 3,540 | 2,964 |
| Deferred tax assets, net | 7,074 | 8,811 |
| Other current assets | 999 | 934 |
| Total current assets | 539,943 | 495,972 |
| Non-current assets: | | |
| Deferred tax assets, net | 49,207 | 56,707 |
| Deferred sales commissions | 3,180 | 5,444 |
| Goodwill | 6,437 | - |
| Property and equipment, net of accumulated depreciation and amortization (\$56,312 at September 30, 2012 and \$52,833 at December 31, 2011) | 20,499 | 22,865 |
| Other non-current assets | 1,021 | 870 |
| Total non-current assets | 80,344 | 85,886 |
| Total assets | \$ 620,287 | \$ 581,858 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Current liabilities: | | |
| Distribution fees payable | \$ 15,727 | \$ 15,860 |
| Accrued compensation and benefits | 20,127 | 23,681 |
| Interest payable | 1,240 | 2,729 |
| Derivative liabilities | - | 3,844 |
| Accrued expenses and other current liabilities | 5,636 | 5,631 |
| Total current liabilities | 42,730 | 51,745 |
| Long-term liabilities: | | |
| Long-term debt | 92,115 | 92,115 |
| Deferred rent | 9,322 | 9,423 |
| Other non-current liabilities | 4,222 | 781 |
| Total long-term liabilities | 105,659 | 102,319 |
| Total liabilities | 148,389 | 154,064 |

STOCKHOLDERS' EQUITY

| | | |
|--|-----------|-----------|
| Class A common stock, \$0.01 par value; authorized 600,000,000 shares; 24,386,015 shares issued and 20,386,015 shares outstanding at September 30, 2012; 24,126,757 shares issued and 20,126,757 shares outstanding at December 31, 2011 | 244 | 241 |
| Class B common stock, \$0.01 par value; authorized 1,000 shares; 100 shares issued and outstanding at September 30, 2012 and December 31, 2011 | 0 | 0 |
| Additional paid-in capital | 215,376 | 214,102 |
| Retained earnings | 75,397 | 67,991 |
| Accumulated other comprehensive loss | (331) | (527) |
| Treasury stock at cost; 4,000,000 shares at September 30, 2012 and December 31, 2011 | (95,215) | (95,215) |
| Calamos Asset Management, Inc. stockholders' equity | 195,471 | 186,592 |
| Non-controlling interest in Calamos Investments LLC (Calamos Interests) | 262,821 | 229,168 |
| Non-controlling interest in partnership investments | 13,606 | 12,034 |
| Total non-controlling interest | 276,427 | 241,202 |
| Total stockholders' equity | 471,898 | 427,794 |
| Total liabilities and stockholders' equity | \$620,287 | \$581,858 |

See accompanying notes to consolidated financial statements.

CALAMOS ASSET MANAGEMENT, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 Three and Nine Months Ended September 30, 2012 and 2011
 (in thousands, except share data)
 (unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|------------------------------------|-------------------------------------|----------|------------------------------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| REVENUES | | | | |
| Investment management fees | \$64,402 | \$65,646 | \$195,050 | \$203,390 |
| Distribution and underwriting fees | 16,684 | 20,041 | 52,444 | 64,096 |
| Other | 761 | 796 | 2,305 | 2,469 |
| Total revenues | 81,847 | 86,483 | 249,799 | 269,955 |
| EXPENSES | | | | |