

Evercore Partners Inc.
Form 10-Q
May 08, 2014
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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 March 31, 2014

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)

Delaware 20-4748747
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)
55 East 52nd 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 Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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 April 30, 2014 was 34,845,917. The number of shares of the registrant's Class B common stock, par value \$0.01 per share,

outstanding as of April 30, 2014 was 29 (excluding 71 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

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Condensed Consolidated Financial Statements (Unaudited)

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EVERCORE PARTNERS INC.
 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
 (UNAUDITED)

(dollars in thousands, except share data)

	March 31, 2014	December 31, 2013
Assets		
Current Assets		
Cash and Cash Equivalents	\$124,064	\$298,453
Marketable Securities	42,601	43,407
Financial Instruments Owned and Pledged as Collateral at Fair Value	58,183	56,311
Securities Purchased Under Agreements to Resell	20,560	19,134
Accounts Receivable (net of allowances of \$2,566 and \$2,436 at March 31, 2014 and December 31, 2013, respectively)	89,314	83,347
Receivable from Employees and Related Parties	11,269	9,233
Deferred Tax Assets - Current	13,085	11,271
Other Current Assets	34,722	16,703
Total Current Assets	393,798	537,859
Investments	106,814	114,084
Deferred Tax Assets - Non-Current	263,477	251,613
Furniture, Equipment and Leasehold Improvements (net of accumulated depreciation and amortization of \$27,881 and \$25,992 at March 31, 2014 and December 31, 2013, respectively)	27,509	27,832
Goodwill	190,410	189,274
Intangible Assets (net of accumulated amortization of \$29,466 and \$27,538 at March 31, 2014 and December 31, 2013, respectively)	24,803	26,731
Assets Segregated for Bank Regulatory Requirements	10,200	10,200
Other Assets	27,906	23,190
Total Assets	\$1,044,917	\$1,180,783
Liabilities and Equity		
Current Liabilities		
Accrued Compensation and Benefits	\$20,396	\$157,856
Accounts Payable and Accrued Expenses	17,047	18,365
Securities Sold Under Agreements to Repurchase	78,831	75,563
Payable to Employees and Related Parties	16,217	19,524
Taxes Payable	2,192	4,713
Other Current Liabilities	8,470	8,138
Total Current Liabilities	143,153	284,159
Notes Payable	103,710	103,226
Amounts Due Pursuant to Tax Receivable Agreements	192,653	175,771
Other Long-term Liabilities	18,308	17,664
Total Liabilities	457,824	580,820
Commitments and Contingencies (Note 15)		
Redeemable Noncontrolling Interest	38,860	36,805
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, 43,717,067 and 40,772,434 issued at March 31, 2014 and December 31, 2013, respectively, and 34,868,395 and 33,069,534 outstanding at March 31, 2014 and December 31, 2013, respectively)	437	408	
Class B, par value \$0.01 per share (1,000,000 shares authorized, 31 and 42 issued and outstanding at March 31, 2014 and December 31, 2013, respectively)	—	—	
Additional Paid-In-Capital	848,680	799,233	
Accumulated Other Comprehensive Income (Loss)	(9,803) (10,784)
Retained Earnings (Deficit)	(59,734) (59,896)
Treasury Stock at Cost (8,848,672 and 7,702,900 shares at March 31, 2014 and December 31, 2013, respectively)	(288,267) (226,380)
Total Evercore Partners Inc. Stockholders' Equity	491,313	502,581	
Noncontrolling Interest	56,920	60,577	
Total Equity	548,233	563,158	
Total Liabilities and Equity	\$1,044,917	\$1,180,783	
See Notes to Unaudited Condensed Consolidated Financial Statements.			

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EVERCORE PARTNERS INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (UNAUDITED)

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

	For the Three Months Ended March 31,	
	2014	2013
Revenues		
Investment Banking Revenue	\$128,504	\$131,383
Investment Management Revenue	21,915	21,437
Other Revenue, Including Interest	2,069	3,104
Total Revenues	152,488	155,924
Interest Expense	3,375	3,293
Net Revenues	149,113	152,631
Expenses		
Employee Compensation and Benefits	91,392	102,009
Occupancy and Equipment Rental	9,484	8,737
Professional Fees	8,511	7,845
Travel and Related Expenses	7,384	7,178
Communications and Information Services	3,373	3,419
Depreciation and Amortization	3,821	3,557
Acquisition and Transition Costs	100	58
Other Operating Expenses	4,334	3,578
Total Expenses	128,399	136,381
Income Before Income from Equity Method Investments and Income Taxes	20,714	16,250