

GAMCO INVESTORS, INC. ET AL  
Form 10-Q  
August 07, 2012

---

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, 2012  
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)

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) 921-3700

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.

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).

Yesx Noo

Edgar Filing: GAMCO INVESTORS, INC. ET AL - Form 10-Q

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  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

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, 2012
Class A Common Stock, .001 par value	6,609,863
Class B Common Stock, .001 par value	20,020,730

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, 2012 and 2011
- Six months ended June 30, 2012 and 2011

Condensed Consolidated Statements of Comprehensive Income:

- Three months ended June 30, 2012 and 2011
- Six months ended June 30, 2012 and 2011

Condensed Consolidated Statements of Financial Condition:

- June 30, 2012
- December 31, 2011
- June 30, 2011

Condensed Consolidated Statements of Equity:

- Six months ended June 30, 2012 and 2011

Condensed Consolidated Statements of Cash Flows:

- Six months ended June 30, 2012 and 2011

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		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
<b>Revenues</b>				
Investment advisory and incentive fees	\$ 67,210	\$ 69,252	\$ 134,993	\$ 132,163
Distribution fees and other income	11,006	11,588	22,629	21,933
Institutional research services	2,808	4,241	5,151	7,890
Total revenues	81,024	85,081	162,773	161,986
<b>Expenses</b>				
Compensation	32,921	34,365	67,475	67,782
Management fee	2,615	3,626	6,799	6,739
Distribution costs	10,012	9,588	20,189	23,017
Other operating expenses	5,109	7,005	10,931	13,191
Total expenses	50,657	54,584	105,394	110,729 (a)
Operating income	30,367	30,497	57,379	51,257
<b>Other income (expense)</b>				
Net gain/(loss) from investments	(4,171 )	3,669	9,707	12,409
Interest and dividend income	1,782	1,861	3,018	3,797
Interest expense	(4,429 )	(3,403 )	(8,833 )	(6,270 )
Total other income (expense), net	(6,818 )	2,127	3,892	9,936
Income before income taxes	23,549	32,624	61,271	61,193
Income tax provision	8,686	11,945	22,442	22,233
Net income	14,863	20,679	38,829	38,960
<b>Net income/(loss) attributable to noncontrolling interests</b>				
Net income attributable to GAMCO Investors, Inc.'s shareholders	\$ 15,105	\$ 20,647	\$ 38,941	\$ 38,290
<b>Net income attributable to GAMCO Investors, Inc.'s shareholders per share:</b>				
Basic	\$ 0.58	\$ 0.77	\$ 1.48	\$ 1.43

Diluted	\$ 0.57	\$ 0.77	\$ 1.47	\$ 1.42
---------	---------	---------	---------	---------

Weighted average shares  
outstanding:

Basic	26,258	26,665	26,338	26,783
-------	--------	--------	--------	--------

Diluted	26,426	26,733	26,501	26,872
---------	--------	--------	--------	--------

Dividends declared:	\$ 0.29	\$ 0.04	\$ 0.33	\$ 0.07
---------------------	---------	---------	---------	---------

(a) Includes \$5.6 million in costs directly related to the launch of a new closed-end fund.

See accompanying notes.

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

(Dollars in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net income	\$14,863	\$20,679	\$38,829	\$38,960
Other comprehensive income/(loss), net of tax:				
Foreign currency translation	22	(1 )	5	23
Net unrealized gains/(losses) on securities available for sale	(2,579 )	(1,550 )	878	937
Other comprehensive income/(loss)	(2,557 )	(1,551 )	883	960
Comprehensive income	12,306	19,128	39,712	39,920
Less: Comprehensive income/(loss) attributable to noncontrolling interests	242	(32 )	112	(670 )
Comprehensive income attributable to GAMCO Investors, Inc.	\$12,548	\$19,096	\$39,824	\$39,250

See accompanying notes.

**GAMCO INVESTORS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
**UNAUDITED**

(Dollars in thousands, except per share data)

	June 30,	December	June 30,
	2012	31, 2011	2011
<b>ASSETS</b>			
Cash and cash equivalents	\$324,440	\$276,340	\$260,839
Investments in securities	249,630	238,333	298,425
Investments in sponsored registered investment companies	59,561	59,214	64,880
Investments in partnerships	102,119	100,893	98,598
Receivable from brokers	41,513	20,913	35,968
Investment advisory fees receivable	26,026	32,156	25,746
Income tax receivable	402	39	238
Other assets	23,039	28,861	25,964
<b>Total assets</b>	<b>\$826,730</b>	<b>\$756,749</b>	<b>\$810,658</b>
<b>LIABILITIES AND EQUITY</b>			
Payable to brokers	\$20,113	\$10,770	\$2,950
Income taxes payable and deferred tax liabilities	12,846	15,296	21,622
Capital lease obligation	5,013	5,072	5,126
Compensation payable	28,985	17,695	29,484