

LABRANCHE & CO INC
Form 10-Q
May 10, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2005

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 Number 001-15251

LABRANCHE & CO INC.

Edgar Filing: LABRANCHE & CO INC - Form 10-Q

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-4064735
(I.R.S. Employer
Identification No.)

One Exchange Plaza, New York, New York 10006

Edgar Filing: LABRANCHE & CO INC - Form 10-Q

(Address of principal executive offices)

(212) 425-1144

Edgar Filing: LABRANCHE & CO INC - Form 10-Q

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock outstanding as of May 6, 2005 was 60,623,819.

TABLE OF CONTENTS

<u>PART I</u>	<u>FINANCIAL INFORMATION</u>
<u>Item 1.</u>	<u>Financial Statements</u>
	<u>CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS</u>
	<u>CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION</u>
	<u>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS</u>
	<u>NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>
<u>Item 2.</u> <u>and Results of Operations</u>	<u>Management's Discussion and Analysis of Financial Condition</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>
<u>PART II</u>	<u>OTHER INFORMATION</u>
<u>SIGNATURES</u>	

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

LaBRANCHE & CO INC. and SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

(000 s omitted except per share data)

	For the Three Months Ended March 31,	
	2005 (unaudited)	2004 (unaudited)
REVENUES:		
Net gain on principal transactions	\$ 40,041	\$ 52,298
Commissions	23,563	25,523
Other	3,699	2,092
Total revenues	67,303	79,913
EXPENSES:		
Employee compensation and related benefits	21,903	27,791
Interest	16,583	12,358
Exchange, clearing and brokerage fees	9,994	8,894
Lease of exchange memberships	1,012	4,143
Depreciation and amortization of intangibles	3,053	3,055
Other	11,046	10,031
Total expenses	63,591	66,272
Income before minority interest and provision for income taxes	3,712	13,641
MINORITY INTEREST	—	175
Income before provision for income taxes	3,712	13,466
PROVISION FOR INCOME TAXES	1,466	5,552
NET INCOME	2,246	7,914
Preferred dividends and discount accretion	—	1,056
Net income available to common stockholders	\$ 2,246	\$ 6,858
Weighted-average common shares outstanding:		
Basic	60,596	59,806
Diluted	60,866	60,224
Earnings per share:		
Basic	\$ 0.04	\$ 0.11
Diluted	\$ 0.04	\$ 0.11

The accompanying notes are an integral part of these condensed consolidated financial statements.

LaBRANCHE & CO INC. and SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(UNAUDITED)

(000 s omitted except per share data)

	March 31, 2005 (unaudited)	As of	December 31, 2004 (audited)
ASSETS			
Cash and cash equivalents	\$ 456,353		\$ 444,446
Cash and securities segregated under federal regulations	5,670		13,511
Securities purchased under agreements to resell	92,000		87,000
Receivable from brokers, dealers and clearing organizations	391,469		158,421
Receivable from customers	4,593		10,555
Securities owned, at market value:			
Corporate equities	320,508		319,378
Options	105,251		110,705
Exchange-traded funds	237,164		128,214
U.S. Government obligations	8		8
Commissions receivable	5,520		5,428
Exchange memberships contributed for use, at market value	13,500		9,450
Exchange memberships owned, at adjusted cost (market value of \$59,773 and \$41,696, respectively)	59,657		59,332