

EATON VANCE CORP
Form 10-Q
March 06, 2008

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 January 31, 2008

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. 1-8100

EATON VANCE CORP.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

04-2718215
(I.R.S. Employer Identification No.)

255 State Street, Boston, Massachusetts 02109

(Address of principal executive offices) (zip code)

(617) 482-8260

(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

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to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

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

Shares outstanding as of January 31, 2008:

Voting Common Stock 371,386 shares

Non-Voting Common Stock 115,276,753 shares

Eaton Vance Corp.

Form 10-Q

For the Three Months Ended January 31, 2008

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Part I - Financial Information

Item 1. Consolidated Financial Statements

Eaton Vance Corp.

Consolidated Balance Sheets (unaudited)

<i>(in thousands)</i>	January 31, 2008	October 31, 2007
Assets		
Current Assets:		
Cash and cash equivalents	\$ 294,975	\$ 434,957
Short-term investments	51,510	50,183
Investment advisory fees and other receivables	113,297	116,979
Other current assets	6,493	8,033
Total current assets	466,275	610,152
Other Assets:		
Deferred sales commissions	92,586	99,670
Goodwill	103,003	103,003
Other intangible assets, net	35,311	35,988
Long-term investments	84,218	86,111
Deferred income taxes	18,862	-
Equipment and leasehold improvements, net	25,646	26,247
Other assets	5,489	5,660
Total other assets	365,115	356,679
Total assets	\$ 831,390	\$ 966,831

See notes to consolidated financial statements.

Eaton Vance Corp.**Consolidated Balance Sheets (unaudited) (continued)**

<i>(in thousands, except share figures)</i>	January 31, 2008	October 31, 2007
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accrued compensation	\$ 36,929	\$ 106,167
Accounts payable and accrued expenses	54,877	66,955
Dividends payable	17,357	17,780
Taxes payable	46,380	21,107
Deferred income taxes	18,848	-
Other current liabilities	5,339	5,690
Total current liabilities	179,730	217,699
Long-Term Liabilities:		
Long-term debt	500,000	500,000
Taxes payable	906	-
Deferred income taxes	-	11,740
Total long-term liabilities	500,906	511,740
Total liabilities	680,636	729,439
Minority interest	7,894	8,224
Commitments and contingencies (See Note 14)	-	-
Shareholders' Equity:		
Voting Common Stock, par value \$0.00390625 per share:		
Authorized 1,280,000 shares		
Issued and outstanding, 371,386 shares	1	1
Non-Voting Common Stock, par value \$0.00390625		
per share:		
Authorized, 190,720,000 shares		
Issued and outstanding, 115,276,753 and 117,798,378		
shares, respectively	450	460
Notes receivable from stock option exercises	(3,861)	(2,342)
Accumulated other comprehensive income	787	3,193
Retained earnings	145,483	227,856
Total shareholders' equity	142,860	229,168
Total liabilities and shareholders' equity	\$ 831,390	\$ 966,831

See notes to consolidated financial statements.

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Eaton Vance Corp.

Consolidated Statements of Income (unaudited)

<i>(in thousands, except per share figures)</i>	Three Months Ended	
	January 31,	2007
	2008	
Revenue:		
Investment advisory and administration fees	\$ 210,686	\$ 169,397
Distribution and underwriter fees	37,039	35,912
Service fees	40,803	36,012
Other revenue	1,268	1,855
Total revenue	289,796	243,176
Expenses:		
Compensation of officers and employees	81,927	77,982
Distribution expense	32,176	98,653
Service fee expense	33,457	28,075
Amortization of deferred sales commissions	13,424	13,419
Fund expenses	6,516	4,219
Other expenses	23,129	18,831
Total expenses	190,629	241,179
		