

Atlanticus Holdings Corp
Form 10-Q
May 10, 2013

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

For the quarterly period ended March 31, 2013

of

ATLANTICUS HOLDINGS CORPORATION

a Georgia Corporation
IRS Employer Identification No. 58-2336689
SEC File Number 0-53717

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Atlanta, Georgia 30328
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Atlanticus' common stock, no par value per share, is registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the "Act").

Atlanticus is not a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933.

Atlanticus (1) is required to file reports pursuant to Section 13 or Section 15(d) of the Act, (2) has filed all reports required to be filed by Section 13 or 15(d) of the Act during the preceding 12 months and (3) has been subject to such filing requirements for the past 90 days.

Atlanticus has submitted electronically and posted on its corporate Web site every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months.

Atlanticus is a smaller reporting company and is not a shell company.

As of April 30, 2013, 13,930,535 shares of common stock, no par value, of Atlanticus were outstanding. (This excludes 1,672,656 loaned shares to be returned as of that date.)

Table of Contents

Page		
PART I. FINANCIAL INFORMATION		
Item 1.	<u>Financial Statements</u>	
	<u>(Unaudited)</u>	
	<u>Consolidated Balance</u>	1
	<u>Sheets</u>	
	<u>Consolidated Statements of</u>	2
	<u>Operations</u>	
	<u>Consolidated Statements of</u>	3
	<u>Comprehensive Loss</u>	
	<u>Consolidated Statement of Shareholders'</u>	4
	<u>Equity</u>	
	<u>Consolidated Statements of Cash</u>	5
	<u>Flows</u>	
	<u>Notes to Consolidated Financial</u>	6
	<u>Statements</u>	
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	26
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	42
Item 4.	<u>Controls and</u>	42
	<u>Procedures</u>	
PART II. OTHER INFORMATION		
Item 1.	<u>Legal Proceedings</u>	43
Item 1A.	<u>Risk Factors</u>	43
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	52
Item 3.	<u>Defaults Upon Senior Securities</u>	52
Item 4.	<u>Mine Safety</u>	52
	<u>Disclosures</u>	
Item 5.	<u>Other Information</u>	52
Item 6.	<u>Exhibits</u>	53
	<u>Signatures</u>	54

Atlanticus Holdings Corporation and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands)

	March 31, 2013 (unaudited)	December 31, 2012
Assets		
Unrestricted cash and cash equivalents	\$71,308	\$67,915
Restricted cash and cash equivalents	13,969	12,921
Loans and fees receivable:		
Loans and fees receivable, net (of \$8,785 and \$8,274 in deferred revenue and \$10,092 and \$11,151 in allowances for uncollectible loans and fees receivable at March 31, 2013 and December 31, 2012, respectively)	70,745	69,625
Loans and fees receivable, at fair value	17,606	20,378
Loans and fees receivable pledged as collateral under structured financings, at fair value	122,976	133,595
Property at cost, net of depreciation	7,054	7,192
Investments in equity-method investees	36,584	37,756
Deposits	16,410	16,397
Prepaid expenses and other assets	12,457	14,647
Total assets	\$369,109	\$380,426
Liabilities		
Accounts payable and accrued expenses	\$31,718	\$38,596
Notes payable, at face value	37,168	26,747
Notes payable associated with structured financings, at fair value	129,550	140,127
Convertible senior notes	95,480	95,335
Income tax liability	60,607	60,434
Total liabilities	354,523	361,239
Commitments and contingencies (Note 10)		
Equity		
Common stock, no par value, 150,000,000 shares authorized: 15,496,135 shares issued and outstanding (including 1,672,656 loaned shares to be returned) at March 31, 2013; and 15,509,179 shares issued and outstanding (including 1,672,656 loaned shares to be returned) at December 31, 2012	-	-
Additional paid-in capital	210,768	211,122
Accumulated other comprehensive loss	(2,440)	(1,154)
Retained deficit	(193,681)	(190,673)
Total shareholders' equity	14,647	19,295
Noncontrolling interests	(61)	(108)
Total equity	14,586	19,187
Total liabilities and equity	\$369,109	\$380,426

See accompanying notes.

Table of Contents

Atlanticus Holdings Corporation and Subsidiaries
Consolidated Statements of Operations (Unaudited)
(Dollars in thousands, except per share data)

	For the Three Months Ended March 31,	
	2013	2012
Interest income:		
Consumer loans, including past due fees	\$19,824	\$25,130
Other	111	202
Total interest income	19,935	25,332
Interest expense	(5,772)	(10,851)
Net interest income before fees and related income on earning assets and provision for losses on loans and fees receivable	14,163	14,481
Fees and related income on earning assets	6,806	49,867
Losses upon charge off of loans and fees receivable recorded at fair value, net of recoveries	(5,798)	(55,628)
Provision for losses on loans and fees receivable recorded at net realizable value	(3,282)	(2,503)
Net interest income, fees and related income on earning assets	11,889	6,217
Other operating income:		
Servicing income	2,601	1,264
Other Income	2,136	812
Equity in income of equity-method investees	4,307	6,017
Total other operating income	9,044	8,093
Other operating expense:		
Salaries and benefits	4,409	5,667
Card and loan servicing	10,679	10,464
Marketing and solicitation	1,935	816
Depreciation	373	428
Other	6,078	6,975
Total other operating expense	23,474	