

GREEN DOT CORP
Form 10-Q
August 11, 2011
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UNITED STATES
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 June 30, 2011
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 001-34819

GREEN DOT CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware 95-4766827
(State or other jurisdiction (IRS Employer
of incorporation or organization) Identification No.)

605 E. Huntington Drive, Suite 205 91016
Monrovia, California (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (626) 775-3400

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 Smaller reporting company

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

There were 25,002,314 shares of Class A common stock, par value \$.001 per share, and 17,160,958 shares of Class B common stock, par value \$.001 per share, outstanding as of July 31, 2011.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

GREEN DOT CORPORATION

CONSOLIDATED BALANCE SHEET

	June 30, 2011 (Unaudited)	December 31, 2010
	(In thousands, except par value)	
Assets		
Current assets:		
Unrestricted cash and cash equivalents	\$172,961	\$167,503
Investment securities available-for-sale, at fair-value	25,988	—
Settlement assets	17,070	19,968
Accounts receivable, net	29,320	33,412
Prepaid expenses and other assets	9,217	8,608
Income tax receivable	4,237	15,004
Net deferred tax assets	4,911	5,398
Total current assets	263,704	249,893
Restricted cash	10,294	5,135
Investment securities available-for-sale, at fair value	14,039	—
Accounts receivable, net	3,658	2,549
Prepaid expenses and other assets	697	643
Property and equipment, net	22,345	18,034
Deferred expenses	7,187	9,504
Total assets	\$321,924	\$285,758
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$15,942	\$17,625
Settlement obligations	17,070	19,968
Amounts due to card issuing banks for overdrawn accounts	39,948	35,068
Other accrued liabilities	15,305	21,633
Deferred revenue	12,698	17,214
Total current liabilities	100,963	111,508
Other accrued liabilities	5,304	3,737
Deferred revenue	31	44
Net deferred tax liabilities	5,010	5,338
Total liabilities	111,308	120,627
Stockholders' equity:		
Class A common stock, \$0.001 par value; 100,000 shares authorized as of June 30, 2011 and December 31, 2010; 25,002 and 14,762 shares issued and outstanding as of June 30, 2011 and December 31, 2010, respectively	23	13
Class B convertible common stock, \$0.001 par value, 100,000 shares authorized as of June 30, 2011 and December 31, 2010; 17,161 and 27,091 shares issued and outstanding as of June 30, 2011 and December 31, 2010, respectively	17	27
Additional paid-in capital	116,125	95,433
Retained earnings	94,429	69,658
Accumulated other comprehensive income	22	—
Total stockholders' equity	210,616	165,131

Total liabilities and stockholders' equity	\$321,924	\$285,758
See notes to unaudited consolidated financial statements		

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GREEN DOT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands, except per share data)			
Operating revenues:				
Card revenues	\$53,924	\$42,228	\$108,248	\$84,386
Cash transfer revenues	32,387	24,364	63,536	47,146
Interchange revenues	33,075	26,183	70,789	54,062
Stock-based retailer incentive compensation	(4,356)) (2,457) (10,236) (2,457
Total operating revenues	115,030	90,318	232,337	183,137
Operating expenses:				
Sales and marketing expenses	42,774	31,433	85,313	57,472
Compensation and benefits expenses	21,666	16,593	42,803	32,853
Processing expenses	17,330	13,872	37,063	28,552
Other general and administrative expenses	13,910	11,266	27,303	23,021
Total operating expenses	95,680	73,164	192,482	141,898
Operating income				