

BIO-RAD LABORATORIES, INC.
Form DEF 14A
April 04, 2019
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss.240.14a-12

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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No fee required.

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(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Bio-Rad Laboratories, Inc.

1000 Alfred Nobel Drive
Hercules, California 94547

Notice of Annual Meeting of Stockholders

Monday, April 29, 2019

4:00 p.m. Pacific Daylight Time

1000 Alfred Nobel Drive, Hercules, California 94547

TO THE STOCKHOLDERS OF BIO-RAD LABORATORIES, INC.:

The annual meeting of the stockholders of Bio-Rad Laboratories, Inc. will be held at our corporate offices, 1000 Alfred Nobel Drive, Hercules, California 94547 on Monday, April 29, 2019 at 4:00 p.m., Pacific Daylight Time, to consider and vote on:

1.
The election of two directors by the holders of outstanding Class A Common Stock and four directors by the holders of outstanding Class B Common Stock;
2.
A proposal to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2019; and
3.
Such other matters as may properly come before the meeting and at any adjournments or postponements thereof.

Our Board of Directors has fixed the close of business on February 28, 2019 as the record date for the determination of stockholders entitled to notice of and to vote at this annual meeting and at any adjournments or postponements thereof. Our stock transfer books will not be closed.

All stockholders are invited to attend the annual meeting in person, but those who are unable to do so are urged to execute and return promptly the enclosed proxy card(s) in the provided postage-paid envelope. Since the holders of a majority of the outstanding shares of each class of our common stock must be present or represented at the annual meeting to elect directors and the holders of a majority of our Voting Power must be present or represented at the annual meeting to conduct the other business matters referred to above, your promptness in returning the enclosed proxy card(s) will be greatly appreciated. Your proxy is revocable and will not affect your right to vote in person in the event you attend the meeting and revoke your proxy.

All stockholders who attend the annual meeting are invited to join us for a reception immediately following the meeting.

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This proxy statement and the accompanying proxy card(s) are first being distributed to stockholders of record on or about April 4, 2019.

Hercules, California

April 4, 2019

By order of the Board of Directors

BIO-RAD LABORATORIES, INC.

Timothy S. Ernst
Secretary

Important Notice Regarding the Internet Availability of Proxy Materials for our 2019 Annual Meeting of Stockholders to be held on April 29, 2019: The proxy statement and annual report of Bio-Rad Laboratories, Inc. are available at www.bio-radproxy.com.

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Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references are supplied to help you find further information in this proxy statement.

Bio-Rad 2019 Annual Meeting of Stockholders

- Date and Time: Monday, April 29, 2019 at 4 p.m. Pacific Daylight Time

- Location: 1000 Alfred Nobel Drive, Hercules, California 94547

- Record Date: February 28, 2019

Eligibility to Vote (page 6)

You can vote if you are a holder of our Class A Common Stock or Class B Common Stock at the close of business on February 28, 2019.

How to Cast Your Vote (page 7)

You can vote by any of the following methods:

- Promptly completing, signing and returning your proxy card(s) by mail; or

- In person, at the annual meeting.

If a bank, broker or other nominee is the record holder of your stock on February 28, 2019, you will be able to vote by following the instructions on the voting instruction form or notice that you receive from your bank, broker or other nominee.

Voting Matters (pages 8 and 16)

Item	Board Vote	Page Reference
	Recommendation (for more detail)	
1. Election of Directors	FOR each Director Nominee	8
2. Ratification of Auditors	FOR	16

Board Nominees (page 8)

Name	Age	Director	Occupation	Independent	Committee	Other Public
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		since			Memberships	Company Boards
					– Audit	FibroGen, Inc.
Jeffrey L. Edwards	58	2017	Former EVP, Chief Financial Officer of Allergan, Inc.	Yes	– Compensation	Clearside
					– Legal & Regulatory Compliance	Biomedical, Inc.
					– Audit	
Gregory K. Hinckley	72	2017	Former President of Mentor Graphics Corporation	Yes	– Legal & Regulatory Compliance	SI-BONE, Inc.
					– Audit	
Melinda Litherland	61	2017	Retired Partner, Deloitte & Touche LLP	Yes	– Compensation	
					– Legal & Regulatory Compliance	
Arnold A. Pinkston	60	2017	Chief Legal Officer and Corporate Secretary of CoreLogic, Inc.	Yes		
Alice N. Schwartz	92	1967	Co-Founder and Director of Bio-Rad	No		
Norman Schwartz	69	1995	President, Chief Executive Officer and Chairman of the Board of Bio-Rad	No		

[Back to Contents](#)**Auditors (page 16)**

We are asking our stockholders to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019. Set forth below is summary information with respect to the aggregate fees billed for professional services rendered for the fiscal years ended December 31, 2018 and 2017 by KPMG LLP.

	2018	2017
Audit Fees	\$ 10,074,000	\$ 12,556,000
Audit-Related Fees	0	0
Tax Fees	6,300	0
All Other Fees	113,000	462,000

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Proxy Statement

2019 ANNUAL MEETING

Our Board of Directors is soliciting the enclosed proxy in connection with our 2019 annual meeting of stockholders (the “Annual Meeting”) to be held at our corporate offices, 1000 Alfred Nobel Drive, Hercules, California 94547 on Monday, April 29, 2019 at 4:00 p.m., Pacific Daylight Time, and at any adjournments or postponements thereof. Copies of this proxy statement and the accompanying notice and proxy card(s) are first being mailed on or about April 4, 2019 to all stockholders entitled to vote.

We refer to Bio-Rad Laboratories, Inc. in this proxy statement as “we,” “our,” the “Company” or “Bio-Rad”.

General Information About the Meeting and Voting

What items of business will be voted on at the Annual Meeting?

The items of business scheduled to be voted on at the Annual Meeting are:

- The election of two directors by the holders of outstanding Class A Common Stock and four directors by the holders of outstanding Class B Common Stock;
- A proposal to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2019; and
- Such other matters as may properly come before the meeting and at any adjournments or postponements thereof.

What is included in the proxy materials?

The proxy materials include:

- Our proxy statement for the Annual Meeting;
- Our 2018 Annual Report to Stockholders, which consists of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018; and
- Proxy card(s) for the Annual Meeting.

What shares can I vote?

Our securities entitled to vote at the meeting consist of Class A Common Stock and Class B Common Stock (collectively, “Common Stock”). As of the close of business on February 28, 2019 (the “Record Date”), we had 24,707,868 shares of Class A Common Stock and 5,092,404 shares of Class B Common Stock issued and outstanding.

How many votes am I entitled to per share?

For all matters where the holders of Class A Common Stock and Class B Common Stock vote together as a class, each share of Class A Common Stock is entitled to one-tenth of a vote and each share of Class B Common Stock is entitled to one vote. For all matters where the holders of Class A Common Stock and Class B Common Stock vote separately, including the election of directors, each share of Class A Common Stock and each share of Class B Common Stock is entitled to one vote. The sum of one-tenth the number of outstanding shares of Class A Common Stock and the number of outstanding shares of Class B Common Stock constitutes our “Voting Power.”

What constitutes a quorum for the Annual Meeting?

The presence, in person or by proxy, of the holders of a majority of our Voting Power, as defined above, will constitute a quorum for the transaction of business; *provided, however*, that the election of the Class A and Class B directors shall require the presence, in person or by proxy, of the holders of a majority of the outstanding shares of each respective class.

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How many votes are needed to approve each item of business?

Six directors are to be elected at the meeting. The holders of Class A Common Stock, voting as a separate class, are entitled to elect two directors. The holders of Class B Common Stock, also voting as a separate class, are entitled to elect the other four directors. Our stockholders do not have any right to vote cumulatively in any election of directors. Directors elected by each class shall be elected by a majority of the votes cast in the respective class.

The proposal to ratify the appointment of our independent auditors must receive the affirmative vote of a majority of our Voting Power present in person or represented by proxy at the meeting and entitled to vote on each such matter in order for each such item to be approved.

What effect do broker non-votes and abstentions have on the items of business?

The term “broker non-votes” refers to shares held by a brokerage firm or other nominee (for the benefit of its client) that are represented at the meeting, but with respect to which such broker or nominee is not instructed to vote by the beneficial holder on a particular proposal and does not have discretionary authority to vote on that proposal. Brokers and nominees do not have discretionary voting authority on certain non-routine matters, including the election of directors, and accordingly, may not vote on such matters absent instructions from the beneficial holder. Broker non-votes will not be counted in determining the number of votes cast on these non-routine matters. Brokers have discretionary authority to vote on the ratification of the Company’s independent auditors.

For purposes of determining the presence of a quorum, broker non-votes, as well as abstentions, will be counted as shares that are present and entitled to vote. With respect to the election of directors, broker non-votes and abstentions will not affect the outcome of a director’s election. With respect to the proposal to ratify the appointment of our independent auditors, there will be no broker non-votes in connection with this proposal because brokers have discretionary authority to vote on the ratification of the Company’s independent auditors, and abstentions will have the same effect as a vote against this proposal.

How do I vote?

If you are the record holder of your stock as of the Record Date, you may submit a proxy by executing and returning the enclosed proxy card(s) in the provided postage-paid envelope. You may also attend the Annual Meeting and vote in person.

If a bank, broker or other nominee is the record holder of your stock on the Record Date, you will be able to vote by following the instructions on the voting instruction form or notice that you receive from your bank, broker or other nominee.

What happens if I do not provide instructions on how to vote or if other matters are presented for determination at the Annual Meeting?

Shares for which a properly executed proxy in the enclosed form is returned will be voted at the Annual Meeting in accordance with the directions on such proxy. If no voting instructions are indicated with respect to one or more of the proposals, the proxy will be voted in favor of those proposal(s), and to approve those other matters that may properly come before the Annual Meeting at the discretion of the person named in the proxy. The Board of Directors is not aware of any matters that might come before the meeting other than those mentioned in this proxy statement. If, however, any other matters properly come before the Annual Meeting, it is intended that the proxies will be voted in accordance with the judgment of the person or persons voting such proxies.

May I change my vote?

Yes. Any proxy may be revoked by the record owner of the shares at any time prior to its exercise by filing with our Secretary a written revocation or duly executed proxy bearing a later date or by attending the meeting in person and announcing such revocation or voting in person at the meeting. Attendance at the Annual Meeting will not, by itself, constitute revocation of a proxy. For shares held through a broker, the directions received from the broker must be followed in order to revoke a proxy, change a vote or to vote at the Annual Meeting. In order for a stockholder whose shares are held through a broker to vote such shares in person at the Annual Meeting, a valid proxy from the broker authorizing such stockholder to vote the shares at the Annual Meeting will be required.

What rights do I have if I dissent on an item of business?

There are no statutory or contractual rights of appraisal or similar remedies available to those stockholders who dissent from any matter to be acted upon at the meeting.

Who will bear the cost of soliciting votes for the Annual Meeting?

We will pay the cost of this proxy solicitation. In addition to solicitation by use of the mails, proxies may be solicited from our stockholders by our directors, officers and employees in person or by telephone, telegram or other means of communication. These directors, officers and employees will not be additionally compensated, but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. Arrangements will be made with brokerage houses, custodians, nominees and fiduciaries for forwarding of proxy materials to beneficial owners of shares held of record by such brokerage houses, custodians, nominees and fiduciaries and for reimbursement of their reasonable expenses incurred in connection therewith.

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Item 1. Election of Directors

The Board of Directors recommends that you vote FOR the director nominees named below for the class or classes of Common Stock that you hold.

Our Board of Directors currently has six members. The term of each of our current directors expires as of the date of the annual meeting of stockholders or on election and qualification of his or her successor. All of our current directors are standing for re-election to our Board. At the Annual Meeting, the stockholders will elect six directors. The six persons nominated are: Jeffrey L. Edwards, Gregory K. Hinckley, Melinda Litherland, Arnold A. Pinkston, Alice N. Schwartz, and Norman Schwartz. The table below includes biographies for each nominee and an indication of the class of Common Stock for which the person is a director nominee. Norman Schwartz is the son of Alice N. Schwartz. No other family relationships exist among our current and nominated directors or executive officers.

The directors elected at this meeting will serve until the next annual meeting of stockholders or until their respective successors are elected and qualified. Although it is not contemplated that any nominee will decline or be unable to serve as a director, in the event that at the meeting or any adjournments or postponements thereof any nominee declines or is unable to serve, the persons named in the enclosed proxy will, in their discretion, vote the shares subject to such proxy for another person selected by the Board.

JEFFREY L. EDWARDS

Former EVP, Chief Financial Officer of Allergan, Inc.

Director Since: 2017

Age: 58

Class of Common Stock to Elect: Class B

Mr. Edwards retired from Allergan, Inc., a multi-specialty health care company, in February 2015 after nearly 22 years at Allergan. From September 2005 to August 2014, he served as Executive Vice President, Finance and Business Development, Chief Financial Officer at Allergan. From 2003 to 2005 he served as Allergan's Corporate Vice President, Corporate Development and previously served as Senior Vice President, Treasury, Tax and Investor Relations. Prior to joining Allergan, Mr. Edwards was with Banque Paribas from 1992-1993 and Security Pacific National Bank from 1983-1992, where he held various senior-level positions in the credit and business development functions. Mr. Edwards currently serves on the Board of Directors and as Audit Committee chairman of FibroGen, Inc., a publicly traded biopharmaceutical company, and on the Board of Directors and the Compensation Committee of Clearside Biomedical, Inc., a publicly traded development stage pharmaceutical company. Mr. Edwards has over 25 years of public company experience. We believe that Mr. Edwards' deep financial, capital allocation, and business development experience give him the qualifications and skills to serve as a director.

GREGORY L. HINCKLEY

Former President of Mentor Graphics Corporation

Director Since: 2017

Age: 72

Class of Common Stock to Elect: Class B

Mr. Hinckley retired from Mentor Graphics Corporation, a leader in computer automated software for electronics design, in July 2017 after 20 years at Mentor Graphics. From 1999 to July 2017, he served as President of Mentor Graphics. From 1997 to 1999, he served as Mentor Graphics' Executive Vice President, Chief Operating and Financial Officer. Prior to joining Mentor Graphics in 1997, Mr. Hinckley served as Chief Financial Officer for VLSI Technology, Inc., a publicly traded integrated semiconductor device company, from 1992-1997, for Crowley Maritime Corporation from 1989-1991 and for Bio-Rad from 1983-1989. He currently serves as a director and as the Audit Committee chairman of SI-BONE, Inc., a publicly traded orthopedic device company. Mr. Hinckley also serves as a trustee of Claremont McKenna College and Portland State University where he is Vice Chair of the board. Mr. Hinckley previously served as a director for several other publicly traded companies including Intermec, Inc., a publicly traded provider of automated identification and data collection (AIDC) solutions, Super Micro, a publicly traded provider of advanced computer server systems and subsystems, and Amkor Technology, a leading supplier of outsourced semiconductor interconnect services. Mr. Hinckley has over 40 years of public company experience. We believe that Mr. Hinckley's financial, operational and public board expertise give him the qualifications and skills to serve as a director.

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MELINDA LITHERLAND

Retired Partner, Deloitte & Touche LLP

Director Since: 2017

Age: 61

Class of Common Stock to Elect: Class A

Ms. Litherland retired in 2015 as a Partner at Deloitte & Touche LLP, where she worked since 1981. She is a certified public accountant with 34 years of experience working with life science and technology companies in both audit and consulting capacities. Ms. Litherland is a member of the American Institute of CPAs (AICPA) and previously served for 12 years on the Board of Directors of Ronald McDonald House Charities Bay Area, including serving on the Finance Committee. We believe that Ms. Litherland's extensive financial and life sciences background gives her the qualifications and skills to serve as a director.

ARNOLD A. PINKSTON

Chief Legal Officer and Corporate Secretary of CoreLogic, Inc.

Director Since: 2017

Age: 60

Class of Common Stock to Elect: Class A

Mr. Pinkston is currently the Chief Legal Officer and Corporate Secretary of CoreLogic, Inc., a leading global property information, analytics and data-enabled solutions provider. Prior to joining CoreLogic in January 2018, he served as Executive Vice President and General Counsel for Allergan, Inc., a multi-specialty health care company, from 2011 until March 2015. From 2005 until 2011, Mr. Pinkston served as Senior Vice President, General Counsel and Secretary for Beckman Coulter, Inc., a health care diagnostics and life sciences company. From 1994 until 2005, he held various positions at Eli Lilly and Company, a global pharmaceutical company, including Vice President and Deputy General Counsel. Additionally, Mr. Pinkston was formerly a director of Janus Capital Group, a publicly owned investment firm. Mr. Pinkston has over 20 years of experience at successful public companies. We believe that Mr. Pinkston's broad corporate governance, regulatory and M&A knowledge give him the qualifications and skills to serve as a director.

ALICE N. SCHWARTZ

Retired Research Associate at the University of California

Director Since: 1967

Age: 92

Class of Common Stock to Elect: Class B

Mrs. Schwartz has been retired since 1979. From 1972 to 1978 she was a Research Associate at the University of California. As a co-founder of our Company, Mrs. Schwartz has a unique and invaluable understanding of our Company's business practices and core values. We believe that Mrs. Schwartz's technical and business expertise gained through her many years as a researcher and as a director of our Company give her the qualifications and skills to serve as a director.

NORMAN SCHWARTZ

President and Chief Executive Officer

Director Since: 1995

Age: 69

Class of Common Stock to Elect: Class B

Mr. Schwartz has been our President and Chief Executive Officer since 2003 and our Chairman of the Board since 2012. He was our Vice President from 1989 to 2002, our Group Manager, Life Science, from 1997 to 2002 and our Group Manager, Clinical Diagnostics, from 1993 to 1997. We believe Mr. Schwartz's financial and business expertise gained through over 42 years of service with our Company, including as our President and Chief Executive Officer for over 16 years, give him the qualifications and skills to serve as a director.

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Director Compensation

Our Board of Directors compensation is established by the Chairman of the Board. Our Human Resources Department periodically provides the Chairman of the Board with information on board of directors pay from our peer group (our method of determining our peer group is described in the section titled “Our Process for Setting Executive Compensation” below).

Employee Directors receive no additional compensation for Board service.

NET INTEREST INCOME AFTER PROVISION

53,475	57,828	53,575	56,814	53,380	221,692	177,942
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NON-INTEREST INCOME:

Service charges on deposits

17,808	16,415	14,744	12,989	13,637	61,956	51,435
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Other service charges and fees

6,436	5,824	5,849	5,238	6,733	23,347	23,620
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Broker/dealer revenue

49,831	50,368	83,915	54,686	53,061	238,800	231,804
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Securities activities, net

474	181	90	102	3,653	847	3,730
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Litigation settlement

22,840

Gain on sales of loans

221	295	116	110	152	742	483
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Income (loss) from real estate operations

(558)	1,142	1,655	2,241	517	4,480	2,405
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Income from unconsolidated subsidiaries

211	142	137	131	126	621	485
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Other

2,299	2,137	2,697	3,173	2,026	10,306	7,987
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Total non-interest income

76,722	76,504	109,203	78,670	79,905	341,099	344,789
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NON-INTEREST EXPENSE:

Employee compensation and benefits

70,257	68,455	78,391	65,795	65,354	282,898	255,064
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Occupancy and equipment

15,394	14,853	13,953	13,237	14,753	57,437	48,146
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Impairment of office properties and equipment

3,706	3,706
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Advertising and promotion	11,701	6,667	8,069	6,298	5,955	32,735	21,036
Professional fees	4,692	4,207	4,316	4,081	7,245	17,296	18,207
Communications	3,470	3,371	3,508	3,205	3,301	13,554	12,527
Floor broker and clearing fees	2,433	2,305	2,012	2,368	2,452	9,118	9,835
Cost associated with debt redemption			11,741				
Reserve for fines and penalties, compliance matter	10,000		10,000				
Other	12,052	11,326	10,188	9,801	8,460	43,367	35,497
Total non-interest expense	129,999	111,184	124,143	104,785	107,520	470,111	412,053

Income (loss) before income taxes

	198	23,148	38,635	30,699	25,765	92,680	110,678
Provision for income taxes	1,801	6,888	14,098	10,821	8,472	33,608	39,910

GAAP net income (loss)

\$ (1,603) 16,260 24,537 19,878 17,293 59,072 70,768

Reconciliation of Operating and GAAP Net Income

GAAP net income (loss)	\$ (1,603)	16,260	24,537	19,878	17,293	59,072	70,768
Impairment of office properties and equipment	2,409		2,409				
Costs associated with debt redemption			7,632				
Reserve for fines and penalties, compliance matter	10,000		10,000				
Litigation settlement			(14,785)				

Operating net income

(note 1) **\$ 8,397 16,260 26,946 19,878 17,293 71,481 63,615**

BankAtlantic Bancorp, Inc. and Subsidiaries
Consolidated Average Balance Sheet (unaudited)

	For the three months ended				
	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004
(in thousands except percentages and per share data)					
Assets:					
Residential real estate	\$ 2,115,899	2,245,067	2,262,214	2,085,473	1,812,010
Commercial real estate	1,576,131	1,643,570	1,731,243	1,764,927	1,743,950
Consumer	538,321	527,190	505,338	487,746	467,710
Lease financing	1,433	2,768	4,710	6,242	8,210
Commercial business	91,979	90,578	91,756	128,372	136,390
Small business	226,153	216,931	206,272	195,733	190,840
Total Loans	4,549,916	4,726,104	4,801,533	4,668,493	4,359,140
Investments taxable	867,625	924,911	899,134	877,003	823,900
Investments tax exempt	394,935	396,908	406,403	364,824	251,690
Total interest earning assets	5,812,476	6,047,923	6,107,070	5,910,320	5,434,740
Goodwill and core deposit intangibles	85,277	85,679	86,095	86,791	87,160
Other non-interest earning assets	431,215	411,116	371,549	358,024	354,810
Total assets	\$ 6,328,968	6,544,718	6,564,714	6,355,135	5,876,720
Intangible assets	(note 2) \$ 6,243,691	6,459,039	6,478,619	6,268,344	5,789,560
Liabilities:					
Deposits:					
Demand deposits	\$ 1,017,467	1,000,219	981,643	912,897	845,790
Savings	309,007	303,268	301,331	281,512	262,540
NOW	692,128	666,567	685,769	664,313	622,300
Money market	887,858	904,382	906,514	921,382	903,600
Certificates of deposit	797,187	781,044	782,335	777,353	736,700
Total deposits	3,703,647	3,655,480	3,657,592	3,557,457	3,370,960
Short-term borrowed funds	276,333	251,242	359,861	352,911	266,840
FHLB advances	1,345,033	1,659,411	1,615,310	1,536,434	1,339,050
Long-term debt	301,655	298,887	299,075	300,551	299,740
Total borrowings	1,923,021	2,209,540	2,274,246	2,189,896	1,905,630
Other liabilities	169,156	163,581	142,617	128,233	132,040
Total liabilities	5,795,824	6,028,601	6,074,455	5,875,586	5,408,630
Stockholders' equity	533,144	516,117	490,259	479,549	468,090
Total liabilities and stockholders' equity	\$ 6,328,968	6,544,718	6,564,714	6,355,135	5,876,720
Other comprehensive income (loss) in stockholders' equity	\$ (4,810)	(1,612)	(5,119)	(949)	3,650

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angible stockholders equity	(note 2)	\$ 452,677	432,050	409,283	393,707	377,26
riod End						
tal loans, net		\$ 4,486,502	4,543,245	4,803,529	4,637,232	4,599,0
tal assets		6,331,558	6,352,822	6,717,676	6,418,351	6,356,7
tal stockholders equity		516,226	523,392	510,394	480,981	469,26
ommon shares outstanding		60,760,213	60,738,610	60,642,777	60,542,092	60,090,3
sh dividends		2,308,888	2,308,067	2,122,497	2,118,973	2,103,16
ommon stock cash dividends per share		0.038	0.038	0.035	0.035	0.03
osing stock price		14.00	16.99	18.95	17.40	19.9
gh stock price for the quarter		17.19	19.33	19.15	20.00	20.0
w stock price for the quarter		13.29	15.64	16.51	17.02	16.0
ok value per share		8.50	8.62	8.42	7.94	7.8

Bank Operations Business Segment
Condensed Statements of Operations (Unaudited)

(In thousands)	For the Three Months Ended				For the Years Ended		
	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004	12/31/2005	12/31/2004
Net interest income	\$ 54,760	55,939	56,031	54,345	50,339	221,075	176,858
Provision (recovery) for loan losses	(109)	(3,410)	820	(3,916)	(4,004)	(6,615)	(5,109)
Net Interest income after provision for loan losses	54,869	59,349	55,211	58,261	54,343	227,690	181,967
Non-interest income							
Service charges on deposits	17,808	16,415	14,744	12,989	13,637	61,956	51,435
Other service charges and fees	6,436	5,824	5,849	5,238	6,733	23,347	23,620
Securities gains (losses)		23	87	7	40	117	37
Gain on sales of loans	221	295	116	110	152	742	483
Income from real estate operations	(558)	1,142	1,655	2,241	517	4,480	2,405
Other non-interest income	1,928	2,019	2,514	2,956	1,924	9,417	7,744
Total non-interest income	25,835	25,718	24,965	23,541	23,003	100,059	85,724
Non-interest expense							
Employee compensation and benefits	31,445	28,106	27,577	26,398	25,136	113,526	93,154
Occupancy and equipment	11,503	10,826	10,165	9,117	9,658	41,611	32,713
Impairment of office properties and equipment			3,706			3,706	
Advertising	10,244	5,518	5,965	5,168	5,087	26,895	16,012
Professional fees	2,521	2,641	2,638	1,895	4,725	9,695	11,286
Cost associated with debt redemption							11,741
Reserve for fines and penalties, compliance matter	10,000					10,000	
Other	10,076	9,631	8,265	7,686	7,058	35,658	28,716
	75,789	56,722	58,316	50,264	51,664	241,091	193,622

Total non-interest
expense

**Income from bank
operations business
segment before
income taxes**

	4,915	28,345	21,860	31,538	25,682	86,658	74,069
--	-------	--------	--------	--------	--------	--------	--------

Provision for income
taxes

	4,018	9,054	7,089	10,677	8,870	30,838	25,529
--	-------	-------	-------	--------	-------	--------	--------

**Net income from
bank operations
business segment**

\$	897	19,291	14,771	20,861	16,812	55,820	48,540
----	-----	--------	--------	--------	--------	--------	--------

**Reconciliation of
Operating and
business segment net
income**

Business segment
income

\$	897	19,291	14,771	20,861	16,812	55,820	48,540
----	-----	--------	--------	--------	--------	--------	--------

Impairment of office
properties and
equipment

			2,409			2,409	
--	--	--	-------	--	--	-------	--

Cost associated with
debt redemption

							7,632
--	--	--	--	--	--	--	-------

Reserve for fines and
penalties, compliance
matter

	10,000					10,000	
--	--------	--	--	--	--	--------	--

**Operating net
income**

\$	10,897	19,291	17,180	20,861	16,812	68,229	56,172
----	--------	--------	--------	--------	--------	--------	--------

Bank Operations Business Segment
Condensed Statements of Condition and Statistics (Unaudited)

(in thousands except percentages and per share data)	For the Three Months Ended				For the Years Ended		
	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004	12/31/2005	12/31/2004
Statistics:							
Average earning assets	\$ 5,575,727	5,820,252	5,882,065	5,696,192	5,225,840	5,743,439	4,680,006
Average interest bearing liabilities	\$ 4,351,337	4,606,611	4,691,644	4,575,247	4,172,665	4,555,734	3,715,591
Average tangible assets	\$ 5,919,617	6,132,529	6,180,083	5,979,211	5,492,505	6,052,911	4,931,637
Average tangible equity	\$ 495,614	473,387	463,813	448,667	435,787	470,508	423,252
Borrowings to deposits and borrowings	%	29.68	31.64	36.18	33.79	36.53	29.68
Tax equivalent:							
Yield on earning assets	%	6.24	6.05	5.84	5.64	5.50	5.94
Cost of interest-bearing liabilities	%	2.80	2.64	2.43	2.19	1.99	2.51
Interest spread	%	3.44	3.41	3.41	3.45	3.51	3.43
Net interest margin	%	4.05	3.96	3.90	3.88	3.91	3.95
GAAP:							
Efficiency ratio	%	94.04	69.46	72.00	64.54	70.44	73.74
Return on average tangible assets	%	0.06	1.26	0.96	1.40	1.22	0.92
Return on average tangible equity	%	0.72	16.30	12.74	18.60	15.43	11.86
Operating (1):							
Efficiency ratio	%	81.63	69.46	67.42	64.54	70.44	69.27
Return on average tangible assets	%	0.74	1.26	1.11	1.40	1.22	1.13
Return on average tangible equity	%	8.79	16.30	14.82	18.60	15.43	13.27
Earning assets repricing (2):							
Percent of earning assets that have fixed rates	%	46	50				
Percent of earning assets that have variable rates	%	54	50				
One year Gap	%	7	4				

(1) Ratios have been adjusted to exclude costs associated with debt redemptions, impairment on BankAtlantic's former corporate headquarters and a reserve for a compliance matter.

- (2) Percentages for periods prior to September 30, 2005 are not available.
-

Condensed Statements of Financial Condition (Unaudited)

(In thousands)			As of		
	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004
ASSETS					
Loans receivable, net	\$ 4,483,142	4,539,544	4,799,485	4,616,846	4,554,952
Held to maturity securities	427,575	439,015	483,992	376,298	378,912
Available for sale securities	578,913	608,375	658,532	695,154	700,642
Goodwill	70,489	70,489	70,489	70,489	70,489
Core deposit intangible asset	8,395	8,796	9,197	9,597	10,270
Other assets	402,546	369,994	374,207	335,215	329,723
Total assets	\$ 5,971,060	6,036,213	6,395,902	6,103,599	6,044,988
LIABILITIES AND STOCKHOLDER S EQUITY					
Deposits					
Demand	\$ 1,019,992	1,017,866	1,039,703	960,152	890,919
NOW	755,708	673,803	660,633	676,945	658,137
Savings	313,889	303,348	302,677	296,485	270,001
Total low cost deposits	2,089,589	1,995,017	2,003,013	1,933,582	1,819,057
Money market	846,441	921,585	899,364	913,434	875,422
Certificate of deposits	816,689	777,743	789,533	796,928	763,244
Total deposits	3,752,719	3,694,345	3,691,910	3,643,944	3,457,723
Advances from Federal Home Loan Bank	1,283,532	1,485,649	1,695,265	1,524,881	1,544,497
Short term borrowings	261,154	187,513	362,307	298,816	407,841
Long term debt	39,092	36,702	35,232	35,878	37,641
Other liabilities	89,834	79,228	69,235	73,191	80,410
Total liabilities	5,426,331	5,483,437	5,853,949	5,576,710	5,528,112
Stockholder s equity	544,729	552,776	541,953	526,889	516,876
Total liabilities and stockholder s equity	\$ 5,971,060	6,036,213	6,395,902	6,103,599	6,044,988

Bank Operations Business Segment
Average Balance Sheet Yield / Rate Analysis

For the Three Months Ended

(in thousands)	December 31, 2005			December 31, 2004		
	Average Balance	Revenue/ Expense	Yield/ Rate	Average Balance	Revenue/ Expense	Yield/ Rate
Loans:						
Residential real estate	\$ 2,115,899	26,210	4.95%	\$ 1,812,018	22,400	4.94%
Commercial real estate	1,572,433	30,773	7.83	1,737,518	26,483	6.10
Consumer	538,321	8,972	6.67	467,716	5,384	4.60
Lease financing	1,433	29	8.09	8,219	192	9.34
Commercial business	91,979	2,015	8.76	98,391	1,698	6.90
Small business	226,153	4,542	8.03	190,849	3,438	7.21
Total loans	4,546,218	72,541	6.38	4,314,711	59,595	5.52
Investments tax exempt	386,073	5,615(1)	5.82	221,247	3,051(1)	5.52
Investments taxable	643,436	8,779	5.46	689,882	9,242	5.36
Total interest earning assets	5,575,727	86,935	6.24%	5,225,840	71,888	5.50%
Goodwill and core deposit intangibles	79,092			80,979		
Other non-interest earning assets	343,890			266,665		
Total Assets	\$ 5,998,709			\$ 5,573,484		
Deposits:						
Savings	\$ 309,007	281	0.36%	\$ 262,549	179	0.27%
NOW	692,128	866	0.50	622,308	582	0.37
Money market	887,858	3,902	1.74	903,602	2,423	1.07
Certificate of deposit	797,187	6,687	3.33	736,704	4,350	2.35
Total interest bearing deposits	2,686,180	11,736	1.73	2,525,163	7,534	1.19
Short-term borrowed funds	282,474	2,805	3.94	272,075	1,379	2.02
Advances from FHLB	1,345,033	15,565	4.59	1,339,051	11,458	3.40
Long-term debt	37,650	617	6.50	36,376	500	5.47
Total interest bearing liabilities	4,351,337	30,723	2.80	4,172,665	20,871	1.99
Demand deposits	1,018,169			846,528		
Non-interest bearing other liabilities	63,021			35,214		

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Total Liabilities	5,432,527		5,054,407	
Stockholder's equity	566,182		519,077	
Total liabilities and stockholder's equity	\$ 5,998,709		\$ 5,573,484	
Net tax equivalent interest income/ net interest spread	\$ 56,212	3.44%	\$ 51,017	3.51%
Tax equivalent adjustment	(1,965)		(1,068)	
Capitalized interest from real estate operations	513		390	
Net interest income	54,760		50,339	

Margin

Interest income/interest earning assets		6.24%		5.50%
Interest expense/interest earning assets		2.19		1.59
Net interest margin (tax equivalent)		4.05%		3.91%

(1) The tax equivalent basis is computed using a 35% tax rate.

Bank Operations
Average Balance Sheet Yield / Rate Analysis

For the Years Ended

(in thousands)	December 31, 2005			December 31, 2004		
	Average Balance	Revenue/Expense	Yield/Rate	Average Balance	Revenue/Expense	Yield/Rate
Loans:						
Residential real estate	\$ 2,177,432	106,992	4.91%	\$ 1,527,911	72,758	4.76%
Commercial real estate	1,674,033	120,235	7.18	1,683,068	96,585	5.74
Consumer	514,822	31,348	6.09	421,167	17,959	4.26
Lease financing	3,772	394	10.45	10,771	1,125	10.44
Commercial business	90,648	7,061	7.79	101,288	6,423	6.34
Small business	211,371	16,520	7.82	183,642	13,118	7.14
Total loans	4,672,078	282,550	6.05	3,927,847	207,968	5.29
Investments tax exempt	368,807	21,391(1)	5.80	110,748	5,988	5.41
Investments taxable	702,554	37,201	5.30	641,411	34,995	5.46
Total interest earning assets	5,743,439	341,142	5.94%	4,680,006	248,951	5.32%
Goodwill and core deposit intangibles	79,714			81,622		
Other non-interest earning assets	309,472			251,631		
Total Assets	\$ 6,132,625			\$ 5,013,259		
Deposits:						
Savings	\$ 298,867	909	0.30%	\$ 243,906	652	0.27%
NOW	677,241	2,964	0.44	585,857	2,163	0.37
Money market	904,941	13,629	1.51	903,585	8,698	0.96
Certificate of deposit	784,525	22,582	2.88	733,717	16,842	2.30
Total deposits	2,665,574	40,084	1.50	2,467,065	28,355	1.15
Short-term borrowed funds:						
Advances from FHLB	314,782	9,760	3.10	252,718	3,349	1.33
Long-term debt	1,538,852	62,175	4.04	959,588	37,689	3.93
	36,526	2,440	6.68	36,220	2,002	5.53
Total interest bearing liabilities	4,555,734	114,459	2.51	3,715,591	71,395	1.92
Demand deposits	979,075			765,084		
Non-interest bearing other liabilities	53,150			29,111		
Total Liabilities	5,587,959			4,509,786		

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Stockholder's equity	544,666		503,473	
Total liabilities and stockholder's equity	\$ 6,132,625		\$ 5,013,259	
Net interest income/net interest spread	\$ 226,683	3.43%	\$ 177,556	3.40%
Tax equivalent adjustment	(7,487)		(2,096)	
Capitalized interest from real estate operations	1,879		1,398	
Net interest income	221,075		176,858	
Margin				
Interest income/interest earning assets		5.94%		5.32%
Interest expense/interest earning assets		1.99		1.53
Net interest margin		3.95%		3.79%

(1) The tax equivalent basis is computed using a 35% tax rate.

Bank Operations Business Segment
Allowance for Loan Loss and Credit Quality

(in thousands)	For the Three Months Ended				For the Years Ended		
	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004	12/31/2005	12/31/2004
<u>Allowance for Loan Losses</u>							
Beginning balance	\$ 40,695	43,650	43,042	46,010	\$ 48,778	46,010	45,595
Charge-offs:							
Residential real estate	(8)	(191)	(56)	(198)	(76)	(453)	(582)
Commercial real estate					(645)		(645)
Commercial business	(119)	(222)	(511)	(286)	(762)	(1,138)	(1,615)
Consumer	(91)	(99)	(43)	(106)	(71)	(339)	(778)
Small business	(102)	(68)	(466)	(128)	(233)	(764)	(456)
Total charge-offs	(320)	(580)	(1,076)	(718)	(1,787)	(2,694)	(4,076)
Recoveries:							
Residential real estate	9	55		1	190	65	486
Commercial real estate					2,000		4,052
Commercial business	306	355	345	116	259	1,122	2,100
Consumer	238	159	121	176	266	694	1,011
Small business	205	289	220	185	231	899	1,430
Other	168	177	178	1,188	77	1,711	521
Total recoveries	926	1,035	864	1,666	3,023	4,491	9,600
Net (charge-offs) recoveries	606	455	(212)	948	1,236	1,797	5,524
Provision (recovery) for loan losses	(109)	(3,410)	820	(3,916)	(4,004)	(6,615)	(5,109)
Ending balance	\$ 41,192	40,695	43,650	43,042	46,010	41,192	46,010
Annualized net charge-offs (recoveries) to average loans	%	(0.05)	(0.04)	0.02	(0.08)	(0.11)	(0.14)

As of

		12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004
<u>Credit Quality</u>						
Nonaccrual loans	\$	6,801	6,883	5,785	6,504	7,903
Nonaccrual tax certificates		388	385	562	417	381
Real estate owned		967	912	1,178	1,438	692
Other repossessed assets			46	328		
Total nonperforming assets	\$	8,156	8,226	7,853	8,359	8,976
Nonperforming assets to total loans and other assets	%	0.17	0.17	0.16	0.17	0.19
Allowance for loan losses to total loans	%	0.91	0.89	0.90	0.92	1.00
Provision expense (recovery) to average loans	%	(0.01)	(0.29)	0.07	(0.34)	(0.37)
Allowance to nonperforming loans	%	605.68	591.24	754.54	661.78	582.18

Ryan Beck & Co., Inc. Business Segment
Consolidated Statements of Operations and Statistics Unaudited

(in thousands)	For the Three Months Ended				For the Years Ended		
	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004	12/31/2005	12/31/2004
Revenues							
Principal transactions	\$ 20,900	22,895	36,690	19,802	24,925	100,287	90,415
Investment banking Commissions	4,511	3,741	25,394	11,882	3,753	45,528	48,245
Interest, dividends and other	21,891	21,390	19,478	20,315	23,109	83,074	89,289
	6,848	6,098	5,842	5,634	4,114	24,422	15,206
Total operating revenues	54,150	54,124	87,404	57,633	55,901	253,311	243,155
Operating expenses							
Compensation, benefits	37,764	39,358	49,766	38,437	39,439	165,325	158,868
Professional fees	2,287	1,411	1,591	1,417	2,044	6,706	5,482
Communications	3,470	3,371	3,508	3,205	3,301	13,554	12,527
Occupancy and equipment	3,887	4,025	3,786	4,118	5,095	15,816	15,429
Floor broker and clearing fees	2,433	2,305	2,012	2,368	2,452	9,118	9,835
Interest and other	4,291	3,495	4,733	3,522	2,318	16,041	11,841
Total operating expenses	54,132	53,965	65,396	53,067	54,649	226,560	213,982
Income (loss) from Ryan Beck business segment before income taxes	18	159	22,008	4,566	1,252	26,751	29,173
Provision (benefit) for income taxes	(544)	(264)	8,977	2,036	11	10,205	11,689
Net income from Ryan Beck business segment	\$ 562	423	13,031	2,530	1,241	16,546	17,484
Statistics:							
Average tangible assets	\$ 219,537	208,883	184,601	171,833	178,967	196,951	171,727
Average tangible equity	99,420	99,195	85,735	85,248	83,242	93,621	79,856
	%	1.02	0.81	28.24	5.89	2.77	8.40
							10.18

GAAP return on average tangible assets							
GAAP return on average tangible equity	2.26	1.71	60.80	11.87	5.96	17.67	21.89
Compensation as a percent of revenues	69.74	72.72	56.94	66.69	70.55	65.27	65.34
Commissions to total revenues	40.43	39.52	22.29	35.25	41.34	32.80	36.72
Principal transactions to total revenues	38.60	42.30	41.98	34.36	44.59	39.59	37.18
Investment banking revenue to total revenues	8.33	6.91	29.05	20.62	6.71	17.97	19.84

Condensed Statements of Financial Condition Unaudited

(in thousands)	12/31/2005	9/30/2005	As of 6/30/2005	3/31/2005	12/31/2004
ASSETS					
Cash and cash equivalents	\$ 5,366	5,388	4,103	6,312	3,674
Securities	180,292	120,298	109,095	142,294	125,443
Notes receivable	3,360	3,702	4,043	4,386	6,096
Property and equipment, net	7,573	7,503	6,795	7,020	7,472
Goodwill	6,184	6,184	6,184	6,184	6,184
Due from clearing agent		15,650	22,091	1,120	16,619
Other assets	35,751	37,332	51,338	29,426	28,129
Total assets	\$ 238,526	196,057	203,649	196,742	193,617
LIABILITIES AND STOCKHOLDERS EQUITY					
Liabilities:					
Securities sold not yet purchased	\$ 35,177	20,688	28,184	60,276	39,462
Due to clearing agent	24,486				
Other liabilities	72,627	69,695	70,214	44,246	63,974
Total liabilities	132,290	90,383	98,398	104,522	103,436
Stockholders equity	106,236	105,674	105,251	92,220	90,181
Total liabilities and stockholders equity	\$ 238,526	196,057	203,649	196,742	193,617

Parent Company Business Segment Activities
Condensed Statements of Operations Unaudited

(in thousands)	For the Three Months Ended				For Years Ended		
	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004	12/31/2005	12/31/2004
Net interest (expense)	\$ (4,583)	(4,457)	(4,157)	(3,892)	(3,593)	(17,089)	(14,451)
Income from unconsolidated subsidiaries	211	142	137	131	126	621	485
Gains on sales of securities	475	158	3	95	3,613	731	3,693
Litigation settlement							22,840
Employee compensation and benefits	(1,048)	(991)	(1,048)	(960)	(778)	(4,047)	(3,042)
Other income (expense)	210	(208)	(168)	(779)	(536)	(945)	(2,088)
Income (loss) from parent company activities before income taxes	(4,735)	(5,356)	(5,233)	(5,405)	(1,168)	(20,729)	7,437
Provision (benefit) for income taxes	(1,673)	(1,902)	(1,968)	(1,892)	(409)	(7,435)	2,692
Net income (loss) from parent company business segment	\$ (3,062)	(3,454)	(3,265)	(3,513)	(759)	(13,294)	4,745
<u>Reconciliation of Operating and business segment income</u>							
Business segment net income	\$ (3,062)	(3,454)	(3,265)	(3,513)	(759)	(13,294)	4,745
Litigation settlement							(14,785)
Operating loss	\$ (3,062)	(3,454)	(3,265)	(3,513)	(759)	(13,294)	(10,040)

Condensed Statements of Financial Condition Unaudited

(in thousands)	As of				
	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004

ASSETS

Cash	\$	7,342	12,783	11,218	8,032	9,131
Securities		104,602	103,755	100,592	85,711	64,656
Notes receivable from related parties					16,000	38,000
Investment in subsidiaries		650,968	658,454	647,207	619,111	607,061
Investment in unconsolidated subsidiaries		12,528	12,510	7,910	7,910	7,910
Other assets		8,146	7,075	13,905	15,452	8,918
Total assets	\$	783,586	794,577	780,832	752,216	735,676

LIABILITIES AND STOCKHOLDERS EQUITY

Subordinated debentures and notes payable	\$	263,266	263,266	263,266	263,266	263,366
Other liabilities		4,094	7,919	7,172	7,969	3,045
Total liabilities		267,360	271,185	270,438	271,235	266,411
Stockholders equity		516,226	523,392	510,394	480,981	469,265
Total liabilities and stockholders equity	\$	783,586	794,577	780,832	752,216	735,676