Evercore Partners Inc.
Form 10-Q
August 07, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2013

OR

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

For the transition period from to

001-32975
(Commission File Number)

EVERCORE PARTNERS INC.
(Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	20-4748747 (I.R.S. Employer Identification No.)

55 East 52 nd Street
38th floor
New York, New York 10055
(Address of principal executive offices)
Registrant's telephone number: (212) 857-3100

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 ý 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 ý 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	ý	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

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

The number of shares of the registrant's Class A common stock, par value $0.01 per share, outstanding as of July 31, 2013 was 31,364,881. The number of shares of the registrant's Class B common stock, par value $0.01 per share, outstanding as of July 31, 2013 was 42 (excluding 58 shares of Class B common stock held by a subsidiary of the registrant).

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In this report, references to "Evercore", the "Company", "we", "us", "our" refer to Evercore Partners Inc., a Delaware corporation, and its consolidated subsidiaries. Unless the context otherwise requires, references to (1) "Evercore Partners Inc." refer solely to Evercore Partners Inc., and not to any of its consolidated subsidiaries and (2) "Evercore LP" refer solely to Evercore LP, a Delaware limited partnership, and not to any of its consolidated subsidiaries. References to the "IPO" refer to our initial public offering on August 10, 2006 of 4,542,500 shares of our Class A common stock, including shares issued to the underwriters of the IPO pursuant to their election to exercise in full their overallotment option.

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)
Condensed Consolidated Financial Statements (Unaudited)

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EVERCORE PARTNERS INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)
(dollars in thousands, except share data)

	June 30, 2013	December 31, 2012
Assets		
Current Assets		
Cash and Cash Equivalents	$147,435	$259,431
Marketable Securities	36,392	36,545
Financial Instruments Owned and Pledged as Collateral at Fair Value	78,887	120,594
Securities Purchased Under Agreements to Resell	3,879	—
Accounts Receivable (net of allowances of $2,087 and $3,886 at June 30, 2013 and December 31, 2012, respectively)	114,243	89,098
Receivable from Employees and Related Parties	9,111	5,166
Deferred Tax Assets - Current	10,769	9,214
Other Current Assets	7,659	6,699
Total Current Assets	408,375	526,747
Investments	108,523	110,897
Deferred Tax Assets - Non-Current	240,840	229,449
Furniture, Equipment and Leasehold Improvements (net of accumulated depreciation and amortization of $22,487 and $19,880 at June 30, 2013 and December 31, 2012, respectively)	27,855	29,777
Goodwill	189,033	188,684
Intangible Assets (net of accumulated amortization of $24,051 and $20,002 at June 30, 2013 and December 31, 2012, respectively)	32,764	35,397
Assets Segregated for Bank Regulatory Requirements	10,200	10,200
Other Assets	15,373	14,067
Total Assets	$1,032,963	$1,145,218
Liabilities and Equity		
Current Liabilities		
Accrued Compensation and Benefits	$76,740	$138,187
Accounts Payable and Accrued Expenses	20,968	17,909
Securities Sold Under Agreements to Repurchase	82,930	120,787
Payable to Employees and Related Parties	16,772	12,964
Taxes Payable	8,425	20,304
Other Current Liabilities	15,982	10,755
Total Current Liabilities	221,817	320,906
Notes Payable	102,282	101,375
Amounts Due Pursuant to Tax Receivable Agreements	169,216	165,350
Other Long-term Liabilities	18,990	17,111
Total Liabilities	512,305	604,742
Commitments and Contingencies (Note 15)		
Redeemable Noncontrolling Interest	48,848	49,727
Equity		
Evercore Partners Inc. Stockholders' Equity		
Common Stock		
Class A, par value $0.01 per share (1,000,000,000 shares authorized, 38,254,013 and 35,040,501 issued at June 30, 2013 and December 31, 2012, respectively, and	382	350

30,651,977 and 29,576,986 outstanding at June 30, 2013 and December 31, 2012, respectively)		
Class B, par value $0.01 per share (1,000,000 shares authorized, 42 and 43 issued and outstanding at June 30, 2013 and December 31, 2012, respectively)	—	—
Additional Paid-In-Capital	719,594	654,275
Accumulated Other Comprehensive Income (Loss)	(10,915)	(9,086)
Retained Earnings (Deficit)	(71,846)	(77,079)
Treasury Stock at Cost (7,602,036 and 5,463,515 shares at June 30, 2013 and December 31, 2012, respectively)	(220,997)	(139,954)
Total Evercore Partners Inc. Stockholders' Equity	416,218	428,506
Noncontrolling Interest	55,592	62,243
Total Equity	471,810	490,749
Total Liabilities and Equity	$1,032,963	$1,145,218

See Notes to Unaudited Condensed Consolidated Financial Statements.

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EVERCORE PARTNERS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(dollars and share amounts in thousands, except per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues				
Investment Banking Revenue	$183,454	$154,426	$314,837	$238,921
Investment Management Revenue	25,738	20,036	47,277	39,800
Other Revenue, Including Interest	1,428	1,593	3,221	3,889
Total Revenues	210,620	176,055	365,335	282,610
Interest Expense	3,174	3,558	6,467	7,315
Net Revenues	207,446	172,497	358,868	275,295
Expenses				
Employee Compensation and Benefits	131,793	114,290	233,865	195,017
Occupancy and Equipment Rental	8,238	9,146	16,997	17,391
Professional Fees	9,418	8,272	17,270	15,328
Travel and Related Expenses	8,284	7,648	15,465	14,381
Communications and Information Services	3,424	3,028	6,844	5,816
Depreciation and Amortization	3,661	3,680	7,219	9,042
Special Charges	—	662	—	662
Acquisition and Transition Costs	—	75	58	148
Other Operating Expenses	4,566	4,501	8,144	8,458
Total Expenses	169,384	151,302	305,862	266,243
Income Before Income from Equity Method Investments and Income Taxes	38,062	21,195	53,006	9,052
Income from Equity Method Investments	1,015	719	1,771	3,104
Income Before Income Taxes	39,077	21,914	54,777	12,156
Provision for Income Taxes	17,066	9,773	24,388	5,135
Net Income	22,011	12,141	30,389	7,021
Net Income Attributable to Noncontrolling Interest	5,585	4,207	7,994	2,455
Net Income Attributable to Evercore Partners Inc.	$16,426	$7,934	$22,395	$4,566
Net Income Attributable to Evercore Partners Inc. Common Shareholders	$16,405	$7,913	$22,353	$4,524
Weighted Average Shares of Class A Common Stock Outstanding				
Basic	31,811	29,213	31,836	29,169
Diluted	37,501	31,664	37,738	32,106
Net Income Per Share Attributable to Evercore Partners Inc. Common Shareholders:				
Basic	$0.52	$0.27	$0.70	$0.16
Diluted	$0.44	$0.25	$0.59	$0.14
Dividends Declared per Share of Class A Common Stock	$0.22	$0.20	$0.44	$0.40

See Notes to Unaudited Condensed Consolidated Financial Statements.

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EVERCORE PARTNERS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(dollars in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	2012	2013	2012
Net Income	$22,011	$12,141	$30,389	$7,021
Other Comprehensive Income (Loss), net of tax:				
Unrealized Gain (Loss) on Marketable Securities, net	(662)	(1,041)	(205)	(2)
Foreign Currency Translation Adjustment Gain (Loss), net	(1,698)	(4,314)	(2,179)	8
Other Comprehensive Income (Loss)	(2,360)	(5,355)	(2,384)	6
Comprehensive Income	19,651	6,786	28,005	7,027
Comprehensive Income Attributable to Noncontrolling Interest	5,036	2,536	7,439	2,394
Comprehensive Income Attributable to Evercore Partners Inc.	$14,615	$4,250	$20,566	$4,633

See Notes to Unaudited Condensed Consolidated Financial Statements.

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EVERCORE PARTNERS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)
(dollars in thousands, except share data)

For the Six Months Ended June 30, 2013

	Class A Common Stock		Additional Paid-In	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Treasury Stock		Noncontrolling Interest	Total Equity
	Shares	Dollars	Capital			Shares	Dollars		
Balance at December 31, 2012	35,040,501	$350	$654,275	$(9,086)	$(77,079)	(5,463,515)	$(139,954)	$62,243	$490,749
Net Income	—	—	—	—	22,395	—	—	7,994	30,389
Other Comprehensive Income (Loss)	—	—	—	(1,829)	—	—	—	(555)	(2,384)
Treasury Stock Purchases	—	—	—	—	—	(2,141,121)	(81,108)	—	(81,108)
Evercore LP Units Purchased or Converted into Class A Common Stock	1,326,127	13	9,406	—	—	—	—	(13,187)	(3,768)
Stock-based Compensation Awards	1,887,385	19	55,355	—	—	2,600	65	10,725	66,164
Dividends and Equivalents	—	—	3,041	—	(17,162)	—	—	—	(14,121)
Noncontrolling Interest (Note 12)	—	—	(2,483)	—	—	—	—	(11,628)	(14,111)
Balance at June 30, 2013	38,254,013	$382	$719,594	$(10,915)	$(71,846)	(7,602,036)	$(220,997)	$55,592	$471,810

For the Six Months Ended June 30, 2012

	Class A Common Stock		Additional Paid-In	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Treasury Stock		Noncontrolling Interest	Total Equity
	Shares	Dollars	Capital			Shares	Dollars		
Balance at December 31, 2011	31,014,265	$310	$575,122	$(12,058)	$(76,703)	(3,072,958)	$(79,007)	$58,162	$465,826
Net Income	—	—	—	—	4,566	—	—	2,455	7,021
Other Comprehensive Income (Loss)	—	—	—	67	—	—	—	(61)	6

Treasury Stock Purchases	—	—	—	—	—	(1,537,606)	(40,409)	—	(40,409)
Evercore LP Units Converted into Class A Common Stock	314,877	3	1,883	—	—	—	—	(1,185)	701
Stock-based Compensation Awards	1,487,759	15	38,698	—	—	—	—	10,554	49,267
Shares Issued as Consideration for Acquisitions and Investments	—	—	—	—	—	155,333	4,027	—	4,027
Dividends and Equivalents	—	—	2,389	—	(14,067)	—	—	—	(11,678)
Noncontrolling Interest (Note 12)	—	—	790	—	—	—	—	(8,153)	(7,363)
Balance at June 30, 2012	32,816,901	$328	$618,882	$(11,991)	$(86,204)	(4,455,231)	$(115,389)	$61,772	$467,398

See Notes to Unaudited Condensed Consolidated Financial Statements.

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EVERCORE PARTNERS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(dollars in thousands)

	For the Six Months Ended June 30, 2013	2012
Cash Flows From Operating Activities		
Net Income	$30,389	$7,021
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:		
Net (Gains) Losses on Investments, Marketable Securities and Contingent Consideration	(2,964)	968
Equity Method Investments	4,115	(2,563)
Equity-Based and Other Deferred Compensation	63,802	58,182
Depreciation, Amortization and Accretion	8,126	9,881
Bad Debt Expense	317	566
Deferred Taxes	(3,633)	3,002
Decrease (Increase) in Operating Assets:		
Marketable Securities	133	406
Financial Instruments Owned and Pledged as Collateral at Fair Value	42,901	9,111
Securities Purchased Under Agreements to Resell	(4,022)	2,259
Accounts Receivable	(28,910)	(2,496)
Receivable from Employees and Related Parties	(4,920)	1,246
Other Assets	(3,163)	568
(Decrease) Increase in Operating Liabilities:		
Accrued Compensation and Benefits	(62,331)	(69,456)
Accounts Payable and Accrued Expenses	2,966	(2,313)
Securities Sold Under Agreements to Repurchase	(38,908)	(11,430)
Payables to Employees and Related Parties	4,213	(351)
Taxes Payable	(11,879)	(1,970)
Other Liabilities	(1,865)	42
Net Cash Provided by (Used in) Operating Activities	(5,633)	2,673
Cash Flows From Investing Activities		
Investments Purchased	(1,274)	(870)
Distributions of Private Equity Investments	154	906
Marketable Securities:		
Proceeds from Sales and Maturities	23,062	50,360
Purchases	(21,055)	(17,183)
Cash Acquired from Acquisitions	170	—
Change in Restricted Cash	—	2,393
Purchase of Furniture, Equipment and Leasehold Improvements	(1,540)	(9,508)
Net Cash Provided by (Used In) Investing Activities	(483)	26,098
Cash Flows From Financing Activities		
Issuance of Noncontrolling Interests	2,750	333
Distributions to Noncontrolling Interests	(11,527)	(7,868)
Cash Paid for Deferred and Contingent Consideration	—	(1,000)
Purchase of Evercore LP Units and Treasury Stock	(87,875)	(40,550)
Excess Tax Benefits Associated with Equity-Based Awards	6,581	1,033
Dividends—Class A Stockholders	(14,121)	(11,678)

Other	—	(78)
Net Cash Provided by (Used in) Financing Activities	(104,192)	(59,808)
Effect of Exchange Rate Changes on Cash	(1,688)	(1,200)
Net Increase (Decrease) in Cash and Cash Equivalents	(111,996)	(32,237)
Cash and Cash Equivalents-Beginning of Period	259,431	182,905
Cash and Cash Equivalents-End of Period	$147,435	$150,668
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Payments for Interest	$5,616	$6,527
Payments for Income Taxes	$33,986	$5,046
Furniture, Equipment and Leasehold Improvements Accrued	$637	$943
Decrease in Fair Value of Redeemable Noncontrolling Interest	$921	$1,303
Dividend Equivalents Issued	$3,041	$2,389
Notes Exchanged for Equity in Subsidiary	$1,042	$—
Settlement of Contingent Consideration	$1,000	$—
Receipt of Marketable Securities in Settlement of Accounts Receivable	$1,772	$—
Commitment to Purchase Noncontrolling Interest	$7,890	$—

See Notes to Unaudited Condensed Consolidated Financial Statements.

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Note 1 – Organization

Evercore Partners Inc. and subsidiaries (the "Company") is an investment banking and investment management firm, incorporated in Delaware on July 21, 2005 and headquartered in New York, New York. The Company is a holding company which owns a controlling interest in Evercore LP, a Delaware limited partnership ("Evercore LP"). Subsequent to the Company's initial public offering ("IPO"), the Company became the sole general partner of Evercore LP. The Company operates from its offices in the United States, the United Kingdom, Mexico, Hong Kong, Canada and, through its affiliate Evercore G5 Holdings S.A. ("G5"), in Brazil.

The Investment Banking business includes the advisory business through which the Company provides advice to clients on significant mergers, acquisitions, divestitures and other strategic corporate transactions, with a particular focus on advising prominent multinational corporations and substantial private equity firms on large, complex transactions. The Company also provides restructuring advice to companies in financial transition, as well as to creditors, shareholders and potential acquirers. In addition, the Company provides its clients with capital markets advice, underwrites securities offerings and raises funds for financial sponsors. The Investment Banking business also includes the Institutional Equities business through which the Company offers equity research and agency-based equity securities trading for institutional investors.

The Investment Management business includes the institutional asset management business through which the Company, directly and through affiliates, manages financial assets for sophisticated institutional investors and provides independent fiduciary services to corporate employee benefit plans and high net-worth individuals, the wealth management business through which the Company provides investment advisory and wealth management services for high net-worth individuals and entities, and the private equity business through which the Company, directly and through affiliates, manages private equity funds.

Note 2 – Significant Accounting Policies

For a complete discussion of the Company's accounting policies, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Basis of Presentation – The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q. As permitted by the rules and regulations of the United States Securities and Exchange Commission, the unaudited condensed consolidated financial statements contain certain condensed financial information and exclude certain footnote disclosures normally included in audited consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accompanying condensed consolidated financial statements are unaudited and are prepared in accordance with U.S. GAAP. In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, including normal recurring accruals, necessary to fairly present the accompanying unaudited condensed consolidated financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2012. The December 31, 2012 Unaudited Condensed Consolidated Statement of Financial Condition data was derived from audited consolidated financial statements, but does not include all disclosures required by U.S. GAAP. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2013.

The unaudited condensed consolidated financial statements of the Company are comprised of the consolidation of Evercore LP and Evercore LP's wholly-owned and majority-owned direct and indirect subsidiaries, including Evercore Group L.L.C. ("EGL"), a registered broker-dealer in the U.S. The Company's policy is to consolidate all subsidiaries in which it has a controlling financial interest, as well as any variable interest entities ("VIEs") where the Company is deemed to be the primary beneficiary, when it has the power to make the decisions that most significantly affect the economic performance of the VIE and has the obligation to absorb significant losses or the right to receive benefits that could potentially be significant to the VIE, except for certain VIEs that qualify for accounting purposes as investment companies. The Company reviews factors, including the rights of the equity holders and obligations of equity holders to absorb losses or receive expected residual returns, to determine if the investment is a VIE. In

evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the entity held either directly or indirectly by the Company. The consolidation analysis is generally performed qualitatively. This analysis, which requires judgment, is performed at each reporting date.
In February 2010, Accounting Standards Update ("ASU") No. 2010-10, "Amendments for Certain Investment Funds", was issued. This ASU defers the application of the revised consolidation rules for a reporting entity's interest in an entity if certain conditions are met, including if the entity has the attributes of an investment company and is not a securitization or asset-backed financing entity. An entity that qualifies for the deferral will continue to be assessed for consolidation under the

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overall guidance on VIEs, before its amendment, and other applicable consolidation guidance. Generally, the Company would consolidate those entities when it absorbs a majority of the expected losses or a majority of the expected residual returns, or both, of the entities.

For entities that the Company has concluded are not VIEs, the Company then evaluates whether the fund is a partnership or similar entity. If the fund is a partnership or similar entity, the Company evaluates the fund under the partnership consolidation guidance. Pursuant to that guidance, the Company consolidates funds in which it is the general partner and/or manages through a contract, unless presumption of control by the Company can be overcome. This presumption is overcome only when unrelated investors in the fund have the substantive ability to liquidate the fund or otherwise remove the Company as the general partner without cause, based on a simple majority vote of unaffiliated investors, or have other substantive participating rights. If the presumption of control can be overcome, the Company accounts for its interest in the fund pursuant to the equity method of accounting.

All intercompany balances and transactions with the Company's subsidiaries have been eliminated upon consolidation.

Note 3 – Recent Accounting Pronouncements

ASU 2011-11 – In December 2011, the Financial Accounting Standards Board ("FASB") issued ASU No. 2011-11, "Disclosures about Offsetting Assets and Liabilities" ("ASU 2011-11"). ASU 2011-11 provides amendments to Accounting Standards Codification ("ASC") No. 210, "Balance Sheet", which are intended to enhance disclosures required by U.S. GAAP by requiring improved information about financial instruments and derivative instruments that are either (1) offset in accordance with either Section 210-20-45 or Section 815-10-45 or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with either Section 210-20-45 or Section 815-10-45. This information will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position, including the effect or potential effect of rights of setoff associated with certain financial instruments and derivative instruments in the scope of this update. In January 2013, the FASB issued ASU No. 2013-01, "Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities" ("ASU 2013-01"), which provides amendments that clarify that the scope of ASU 2011-11 applies to derivatives accounted for in accordance with ASC No. 815, "Derivatives and Hedging", including bifurcated embedded derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending transactions. The amendments in these updates are effective retrospectively for interim and annual periods beginning after January 1, 2013. The adoption of ASU 2011-11 and ASU 2013-01 did not have a material impact on the Company's financial condition, results of operations and cash flows, or disclosures thereto.

ASU 2013-02 – In February 2013, the FASB issued ASU No. 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income" ("ASU 2013-02"). ASU 2013-02 provides amendments to ASC No. 220, "Comprehensive Income", which are intended to enhance disclosures required by U.S. GAAP by requiring improved information about the amounts reclassified out of accumulated other comprehensive income by component, and to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income and their corresponding effect on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. The amendments in this update are effective prospectively during interim and annual periods beginning after December 15, 2012, with early adoption permitted. The adoption of ASU 2013-02 did not have a material impact on the Company's financial condition, results of operations and cash flows, or disclosures thereto.

ASU 2013-05 – In March 2013, the FASB issued ASU No. 2013-05, "Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity" ("ASU 2013-05"). ASU 2013-05 provides amendments to ASC No. 830, "Foreign Currency Matters", which are intended to resolve diversity in practice by clarifying the guidance for the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or

a business within a foreign entity. The amendments also clarify the guidance for the release of the cumulative translation adjustment into net income for business combinations achieved in stages involving a foreign entity. The amendments in this update are effective prospectively during interim and annual periods beginning after December 15, 2013, with early adoption permitted. The Company is currently assessing the impact of the adoption of this update on the Company’s consolidated financial condition, results of operations and cash flows.
ASU 2013-08 – In June 2013, the FASB issued ASU No. 2013-08, “Amendments to the Scope, Measurement, and Disclosure Requirements” (“ASU 2013-08”). ASU 2013-08 provides amendments to ASC No. 946, “Financial Services -

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Investment Companies", which modify the guidance for the assessment of whether an entity is an investment company and provide additional implementation guidance for the assessment. The amendments also require fair value measurement rather than equity method accounting for noncontrolling ownership interests in other investment companies, and require additional disclosures about an entity's status as an investment company and financial support provided or contractually required to be provided by an investment company to its investees. The amendments in this update are effective prospectively during interim and annual periods beginning after December 15, 2013, with early adoption prohibited. The Company is currently assessing the impact of the adoption of this update on the Company's consolidated financial condition, results of operations and cash flows.
ASU 2013-11 – In July 2013, the FASB issued ASU No. 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists" ("ASU 2013-11"). ASU 2013-11 provides amendments to ASC No. 740, "Income Taxes", which clarify the guidance for the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The amendments require that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. If a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The amendments in this update are effective prospectively during interim and annual periods beginning after December 15, 2014, with early adoption prohibited. The Company is currently assessing the impact of the adoption of this update on the Company's consolidated financial condition, results of operations and cash flows.

Note 4 – Acquisition and Transition Costs, Intangible Asset Amortization and Special Charges
Acquisition and Transition Costs
The Company recognized $58 for the six months ended June 30, 2013 and $75 and $148 for the three and six months ended June 30, 2012, respectively, as Acquisition and Transition Costs incurred in connection with recent acquisitions and other ongoing business development initiatives. These costs are primarily comprised of professional fees for legal and other services.
Intangible Asset Amortization
Expense associated with the amortization of intangible assets for Investment Banking was $204 and $408 for the three and six months ended June 30, 2013, respectively, and $594 and $3,043 for the three and six months ended June 30, 2012, respectively, included within Depreciation and Amortization expense on the Unaudited Condensed Consolidated Statements of Operations. Expense associated with the amortization of intangible assets for Investment Management was $1,851 and $3,641 for the three and six months ended June 30, 2013, respectively, and $1,674 and $3,349 for the three and six months ended June 30, 2012, respectively, included within Depreciation and Amortization expense on the Unaudited Condensed Consolidated Statements of Operations. See Note 8 for Goodwill and Intangible assets acquired as a result of the Company's consolidation of Evercore Pan-Asset Capital Management ("Pan").
Special Charges
The Company recognized costs of $662 for the three and six months ended June 30, 2012, as Special Charges incurred in connection with exiting facilities in the UK.

Note 5 – Related Parties
Investment Management Revenue includes income from related parties earned from the Company's private equity funds for portfolio company fees, management fees, expense reimbursements and realized and unrealized gains and losses of private equity fund investments. Total Investment Management revenues from related parties amounted to $4,983 and $7,135 for the three and six months ended June 30, 2013, respectively, and $993 and $1,987 for the three and six months ended June 30, 2012, respectively.

Investment Banking Revenue includes advisory fees earned from clients that have a Senior Managing Director as a member of their Board of Directors of $10,750 for the six months ended June 30, 2013.
Other Assets on the Unaudited Condensed Consolidated Statements of Financial Condition includes receivables from certain employees of $4,017 and $1,546 as of June 30, 2013 and December 31, 2012, respectively.

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Note 6 – Marketable Securities

The amortized cost and estimated fair value of the Company's Marketable Securities as of June 30, 2013 and December 31, 2012 were as follows:

	June 30, 2013				December 31, 2012			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Investments	$12,662	$608	$23	$13,247	$10,172	$1,428	$20	$11,580
Debt Securities Carried by EGL	14,762	55	36	14,781	13,522	97	—	13,619
Mutual Funds	7,742	716	94	8,364	10,946	412	12	11,346
Total	$35,166	$1,379	$153	$36,392	$34,640	$1,937	$32	$36,545

Scheduled maturities of the Company's available-for-sale debt securities within the Securities Investments portfolio as of June 30, 2013 and December 31, 2012 were as follows:

	June 30, 2013		December 31, 2012	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	$409	$410	$658	$659
Due after one year through five years	1,894	1,902	1,415	1,437
Due after five years through 10 years	600	601	347	346
Total	$2,903	$2,913	$2,420	$2,442

Securities Investments

Securities Investments include seed capital and other equity and debt securities, which are classified as available-for-sale securities within Marketable Securities on the Unaudited Condensed Consolidated Statements of Financial Condition. These securities are stated at fair value with unrealized gains and losses included in Accumulated Other Comprehensive Income (Loss) and realized gains and losses included in earnings. The Company had realized gains (losses) of ($286) and ($189) for the three and six months ended June 30, 2013, respectively, and ($15) and ($18) for the three and six months ended June 30, 2012, respectively.

Debt Securities Carried by EGL

EGL invests in a fixed income portfolio consisting primarily of municipal bonds. These securities are carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest, on the Unaudited Condensed Consolidated Statements of Operations, as required for broker-dealers in securities. The Company had net realized and unrealized gains (losses) of ($122) and ($133) for the three and six months ended June 30, 2013, respectively, and ($150) and ($406) for the three and six months ended June 30, 2012, respectively.

Mutual Funds

The Company invests in a portfolio of mutual funds as an economic hedge against the Company's deferred compensation program. See Note 14 for further information. These securities are carried at fair value, with changes in fair value recorded in Other Revenue, Including Interest, on the Unaudited Condensed Consolidated Statements of Operations. The Company had net realized and unrealized gains (losses) of ($136) and $461 for the three and six months ended June 30, 2013, respectively, and ($130) and $454 for the three and six months ended June 30, 2012, respectively.

Note 7 – Financial Instruments Owned and Pledged as Collateral at Fair Value, Securities Purchased Under Agreements to Resell and Securities Sold Under Agreements to Repurchase

The Company, through Evercore Casa de Bolsa, S.A. de C.V. (“ECB”), enters into repurchase agreements with clients seeking overnight money market returns whereby ECB transfers to the clients Mexican government securities in exchange for cash and concurrently agrees to repurchase the securities at a future date for an amount equal to the cash exchanged plus a stipulated premium or interest factor. ECB deploys the cash received from, and acquires the securities deliverable to, clients

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under these repurchase arrangements by purchasing securities in the open market, which the Company reflects as Financial Instruments Owned and Pledged as Collateral at Fair Value on the Unaudited Condensed Consolidated Statements of Financial Condition, or by entering into reverse repurchase agreements with unrelated third parties. The Company accounts for these repurchase and reverse repurchase agreements as collateralized financing transactions, which are carried at their contract amounts, which approximate fair value given that the contracts generally mature the following business day. The Company records a liability on its Unaudited Condensed Consolidated Statements of Financial Condition in relation to repurchase transactions executed with clients as Securities Sold Under Agreements to Repurchase. The Company records as assets on its Unaudited Condensed Consolidated Statements of Financial Condition, Financial Instruments Owned and Pledged as Collateral at Fair Value (where the Company has acquired the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market) and Securities Purchased Under Agreements to Resell (where the Company has acquired the securities deliverable to clients under these repurchase agreements by entering into reverse repurchase agreements with unrelated third parties). These Mexican government securities have an estimated average time to maturity of approximately 1.9 years, as of June 30, 2013, and are pledged as collateral against repurchase agreements. Generally, collateral is posted equal to the contract value at inception and is subject to market changes. These repurchase agreements are primarily with institutional customer accounts managed by ECB and permit the counterparty to pledge the securities.
As of June 30, 2013 and December 31, 2012, a summary of the Company's assets, liabilities and collateral received or pledged related to these transactions is as follows:

	June 30, 2013		December 31, 2012	
	Asset (Liability) Balance	Market Value of Collateral Received or (Pledged)	Asset (Liability) Balance	Market Value of Collateral Received or (Pledged)
Assets				
Financial Instruments Owned and Pledged as Collateral at Fair Value	$78,887		$120,594	
Securities Purchased Under Agreements to Resell	3,879	$ 3,900	—	$ —
Total Assets	$82,766		$120,594	
Liabilities				
Securities Sold Under Agreements to Repurchase	$(82,930)	$ (83,060)	$(120,787)	$ (121,029)

Note 8 – Investments
The Company's investments reported on the Unaudited Condensed Consolidated Statements of Financial Condition consist of investments in private equity partnerships and other investments in unconsolidated affiliated companies. The Company's investments are relatively high-risk and illiquid assets. Realized and unrealized gains and losses on the private equity investments are included within Investment Management Revenue. The Company's share of earnings (losses) on the investments in G5, ABS Investment Management, LLC ("ABS") and Pan (consolidated on March 15, 2013) are included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.
Investments in Private Equity
The Company's investments in private equity partnerships include investments in Evercore Capital Partners II L.P. and its affiliated entities ("ECP II"), Discovery Americas I, L.P. (the "Discovery Fund"), Evercore Mexico Capital Partners II ("EMCP II"), Evercore Mexico Capital Partners III ("EMCP III"), CSI Capital, L.P. ("CSI Capital") and Trilantic Capital Partners Associates IV L.P. ("Trilantic IV"). Portfolio holdings of the private equity funds are carried at fair value. Accordingly, the Company reflects its pro rata share of the unrealized gains and losses occurring from changes in fair value. Additionally, the Company reflects its pro rata share of realized gains, losses and carried interest associated with any investment realizations.

On June 4, 2013, the general partner of EMCP III, Evercore Mexico Partners III ("EMP III"), amended and restated its Limited Partnership Agreement and admitted certain limited partners, which are related parties of the Company. The Company viewed this modification as a reconsideration event under ASC 810-10, Consolidation, and concluded that EMP III is a VIE and that the Company is the primary beneficiary of this VIE. Specifically, the Company's general partner interests in EMP III provide the Company the ability to make decisions that significantly impact the economic performance of EMP III, while the limited partners do not possess substantive participating rights over EMP III. The Company's assessment of the primary beneficiary of EMP III included assessing which parties have the power to significantly impact the economic performance of EMP III and the obligation to absorb losses, which could be potentially significant to EMP III, or the right to receive benefits from EMP III that could be potentially significant. The Company had previously consolidated EMP III as a voting interest entity; accordingly, this event had no impact on the assets and liabilities of the Company. EMP III had assets of $3,663 and

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liabilities of $259, included in the Company's Unaudited Condensed Consolidated Statement of Financial Condition at June 30, 2013. The assets retained by EMP III are for the benefit of the interest holders of EMP III.

In June 2013, the Company held a fourth and final closing on EMCP III, a private equity fund focused on middle market investments in Mexico. The total subscribed capital commitments of $201,000 included a capital commitment of $10,750 by EMP III, of which $1,000 relates to the Company and $9,750 relates to noncontrolling interest holders. At June 30, 2013, unfunded commitments of EMP III were $7,375, including $686 due from the Company.

A summary of the Company’s investment in the private equity funds as of June 30, 2013 and December 31, 2012 was as follows:

	June 30, 2013	December 31, 2012
ECP II	$3,332	$3,793
Discovery Fund	4,594	3,060
EMCP II	11,474	10,400
EMCP III	3,419	1,696
CSI Capital	3,210	3,056
Trilantic IV	4,677	4,573
Total Private Equity Funds	$30,706	$26,578

Net realized and unrealized gains (losses) on private equity fund investments, including performance fees, were $2,073 and $2,550 for the three and six months ended June 30, 2013, respectively, and ($301) and ($608) for the three and six months ended June 30, 2012, respectively. In the event the funds perform poorly, the Company may be obligated to repay certain carried interest previously distributed. As of June 30, 2013, the Company had $2,701 of previously received carried interest that may be subject to repayment.

Trilantic Capital Partners

In 2010, the Company made an investment in Trilantic Capital Partners (“Trilantic”). See Note 12 for further information. This investment had a balance of $14,999 as of June 30, 2013 and December 31, 2012.

Equity Method Investments

A summary of the Company’s other equity investments as of June 30, 2013 and December 31, 2012 was as follows:

	June 30, 2013	December 31, 2012
G5	$18,886	$19,720
ABS	43,932	46,851
Pan	—	2,749
Total	$62,818	$69,320

G5

In 2010, the Company made an equity method investment in G5. At June 30, 2013, the Company’s economic ownership interest in G5 was 49%. This investment resulted in earnings (losses) of $247 and $184 for the three and six months ended June 30, 2013, respectively, and ($93) and $1,270 for the three and six months ended June 30, 2012, respectively, included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

ABS

In 2011, the Company made an equity method investment in ABS. At June 30, 2013, the Company’s economic ownership interest in ABS was 45%. This investment resulted in earnings of $768 and $1,642 for the three and six months ended June 30, 2013, respectively, and $912 and $1,622 for the three and six months ended June 30, 2012, respectively, included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.

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Pan
In 2008, the Company made an equity method investment of $4,158 in Pan. This investment resulted in earnings (losses) of ($55) for the six months ended June 30, 2013, and ($100) and $212 for the three and six months ended June 30, 2012, respectively, included within Income from Equity Method Investments on the Unaudited Condensed Consolidated Statements of Operations.
In 2011 and 2012, the Company concluded that Pan was a VIE, and that the Company was not the primary beneficiary of the VIE. On March 15, 2013, the Company exchanged its notes receivable from Pan for additional common equity, increasing its common equity ownership interest to 68%, from 50%. The Company viewed this transaction as a reconsideration event and concluded that, as a result, it had become the primary beneficiary of Pan, and therefore consolidated Pan in the Company's unaudited condensed consolidated financial statements as of that date. The Company determined that it was the primary beneficiary of Pan because it possessed the power to significantly impact the economic performance of Pan and maintained the obligation to absorb losses of Pan, which could be potentially significant, or the right to receive benefits from Pan, that could be potentially significant. The assets retained by Pan are not generally available to the Company and the liabilities are generally non-recourse to the Company. The Company recorded assets of $702 and liabilities of $518 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2013 as a result of the consolidation. The consolidation also resulted in goodwill of $3,020 and intangible assets relating to client relationships of $1,440, recognized in the Investment Management Segment. The intangible assets are being amortized over an estimated useful life of seven years.
Other
The Company allocates the purchase price of its equity method investments, in part, to the inherent finite-lived identifiable intangible assets of the investees. The Company’s share of the earnings of the investees has been reduced by the amortization of these identifiable intangible assets inherent in the investments of $647 and $1,294 for the three and six months ended June 30, 2013, respectively, and $649 and $1,396 for the three and six months ended June 30, 2012, respectively.

Note 9 – Fair Value Measurements
ASC 820, “Fair Value Measurements and Disclosures” (“ASC 820”) establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily-available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.
Investments measured and reported at fair value are classified and disclosed in one of the following categories:
Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include listed equities and listed derivatives. As required by ASC 820, the Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.
Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The estimated fair values of the Corporate Bonds, Municipal Bonds, Other Debt Securities and Securities Investments held at June 30, 2013 and December 31, 2012 are based on quoted market prices provided by external pricing services.
Level III – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

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The following table presents the categorization of investments and certain other financial assets measured at fair value on a recurring basis as of June 30, 2013 and December 31, 2012:

	June 30, 2013			
	Level I	Level II	Level III	Total
Corporate Bonds, Municipal Bonds and Other Debt Securities (1)	$—	$33,781	$—	$33,781
Securities Investments (1)	14,465	4,782	—	19,247
Mutual Funds	8,364	—	—	8,364
Financial Instruments Owned and Pledged as Collateral at Fair Value	78,887	—	—	78,887
Total Assets Measured At Fair Value	$101,716	$38,563	$—	$140,279

	December 31, 2012			
	Level I	Level II	Level III	Total
Corporate Bonds, Municipal Bonds and Other Debt Securities (1)	$—	$38,482	$—	$38,482
Securities Investments	9,138	2,442	—	11,580
Mutual Funds	11,346	—	—	11,346
Financial Instruments Owned and Pledged as Collateral at Fair Value	120,594	—	—	120,594
Total Assets Measured At Fair Value	$141,078	$40,924	$—	$182,002

(1) Includes $25,000 and $24,863 of treasury bills, municipal bonds and commercial paper classified within Cash and Cash Equivalents on the Unaudited Condensed Consolidated Statements of Financial Condition as of June 30, 2013 and December 31, 2012, respectively.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Company had no transfers between fair value levels during the three and six months ended June 30, 2013 or the year ended December 31, 2012.

The carrying amount and estimated fair value of the Company's financial instrument assets and liabilities which are not measured at fair value on the Unaudited Condensed Consolidated Statements of Financial Condition are listed in the tables below.

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	June 30, 2013				
	Carrying Amount	Estimated Fair Value Level I	Level II	Level III	Total
Financial Assets:					
Cash and Cash Equivalents	$122,435	$122,435	$—	$—	$122,435
Securities Purchased Under Agreements to Resell	3,879	—	3,879	—	3,879
Accounts Receivable	114,243	—	114,243	—	114,243
Receivable from Employees and Related Parties	9,111	—	9,111	—	9,111
Assets Segregated for Bank Regulatory Requirements	10,200	10,200	—	—	10,200
Financial Liabilities:					
Accounts Payable and Accrued Expenses	$20,968	$—	$20,968	$—	$20,968
Securities Sold Under Agreements to Repurchase	82,930	—	82,930	—	82,930
Payable to Employees and Related Parties	16,772	—	16,772	—	16,772
Notes Payable	102,282	—	128,381	—	128,381

	December 31, 2012				
	Carrying Amount	Estimated Fair Value Level I	Level II	Level III	Total
Financial Assets:					
Cash and Cash Equivalents	$234,568	$234,568	$—	$—	$234,568
Accounts Receivable	89,098	—	89,098	—	89,098
Receivable from Employees and Related Parties	5,166	—	5,166	—	5,166
Assets Segregated for Bank Regulatory Requirements	10,200	10,200	—	—	10,200
Financial Liabilities:					
Accounts Payable and Accrued Expenses	$17,909	$—	$17,909	$—	$17,909
Securities Sold Under Agreements to Repurchase	120,787	—	120,787	—	120,787
Payable to Employees and Related Parties	12,964	—	12,964	—	12,964
Notes Payable	101,375	—	136,860	—	136,860

The following methods and assumptions were used to estimate the fair value of these financial assets and liabilities:
The fair value of the Company's Notes Payable is estimated based on a present value analysis utilizing aggregate market yields obtained from independent pricing sources for similar financial instruments.
The carrying amounts reported on the Unaudited Condensed Consolidated Statements of Financial Condition for Cash and Cash Equivalents, Securities Purchased Under Agreements to Resell, Securities Sold Under Agreements to Repurchase, Accounts Receivable, Receivables from Employees and Related Parties, Accounts Payable and Accrued Expenses, Payables to Employees and Related Parties and Assets Segregated for Bank Regulatory Requirements approximate fair value due to the short term nature of these items.

Note 10 – Issuance of Notes Payable and Warrants

On August 21, 2008, the Company entered into a Purchase Agreement with Mizuho Corporate Bank, Ltd. (“Mizuho”) pursuant to which Mizuho purchased from the Company $120,000 principal amount of Senior Notes due 2020 with a 5.20% coupon (“Senior Notes”) and warrants to purchase 5,455 shares of the Company’s Class A common stock, par value $0.01 per share (“Class A Shares”) at $22.00 per share (the “Warrants”) expiring in 2020. Based on their relative fair value at issuance, plus accretion, the Senior Notes and Warrants were reflected in Notes Payable and Additional Paid-In-Capital on the Unaudited Condensed Consolidated Statements of Financial Condition. The Senior Notes have an effective yield of 7.94%.

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The holder of the Senior Notes may require the Company to purchase, for cash, all or any portion of the holder's Senior Notes upon a change of control of the Company for a price equal to the aggregate accreted amount of such Senior Notes, (the "Accreted Amount"), plus accrued and unpaid interest. Senior Notes held by Mizuho will be redeemable at the Accreted Amount at the option of the Company at any time within 90 days following the date on which Mizuho notifies the Company that it is terminating their strategic alliance agreement ("Strategic Alliance Agreement"). Senior Notes held by any other holder than Mizuho will be redeemable at the Accreted Amount (plus accrued and unpaid interest) at the option of the Company at any time. In the event of a default under the indenture, the trustee or holders of 33 1/3% of the Senior Notes may declare that the Accreted Amount is immediately due and payable.

Pursuant to the agreement, Mizuho may transfer (A) the Senior Notes (i) with the Company's consent, (ii) to a permitted transferee, or (iii) to the extent that such transfer does not result in any holder or group of affiliated holders directly or indirectly owning more than 15% of the aggregate principal amount of the Senior Notes, and (B) the Warrants (i) with the Company's consent, (ii) to a permitted transferee, (iii) pursuant to a tender or exchange offer, or a merger or sale transaction involving the Company that has been recommended by the Company's Board of Directors, or (iv) to the extent that such transfer is made pursuant to a widely distributed public offering or does not result in any holder or group of affiliated holders directly or indirectly owning more than 2% of the Company's voting securities and the total shares of Class A common stock transferred, together with any shares of shares of Class A common stock (on an as-converted basis) transferred during the preceding 12 months, is less than 25% of the Company's outstanding Class A common stock. The Company has a right of first offer on any proposed transfer by Mizuho of the Warrants, Common Stock purchased in the open market or acquired by exercise of the Warrants and associated Common Stock issued as dividends.

The exercise price for the Warrants is payable, at the option of the holder of the Warrants, either in cash or by tender of Senior Notes at the Accreted Amount, at any point in time.

Note 11 – Evercore Partners Inc. Stockholders' Equity

Dividends – The Company's Board of Directors declared on July 23, 2013, a quarterly cash dividend of $0.22 per share, to the holders of Class A Shares as of August 30, 2013, which will be paid on September 13, 2013. During the six months ended June 30, 2013, the Company declared and paid dividends of $0.44 per share, totaling $14,121.

Treasury Stock – During the six months ended June 30, 2013, the Company purchased 843 Class A Shares primarily from employees at values ranging from $22.24 to $43.18 per share primarily for the net settlement of stock-based compensation awards and 1,298 Class A Shares at market values ranging from $36.00 to $41.00 per share pursuant to the Company's share repurchase program. The result of these purchases was an increase in Treasury Stock of $81,108 on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2013.

LP Units – During the six months ended June 30, 2013, 1,326 Evercore LP partnership units ("LP Units") were exchanged for Class A Shares (including 983 LP Units which were exchanged on December 31, 2012, where settlement did not occur until January 2013), resulting in an increase to Common Stock and Additional Paid-In-Capital of $13 and $8,063, respectively, on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2013.

In June 2013, the Company purchased 185 LP Units and certain other rights from a noncontrolling interest holder, resulting in a decrease to Noncontrolling Interest of $5,893 and a net increase to Additional Paid-In-Capital of $1,343, inclusive of the step-up in basis for the assets of Evercore LP, on the Company's Unaudited Condensed Consolidated Statement of Financial Condition as of June 30, 2013.

Accumulated Other Comprehensive Income (Loss) – As of June 30, 2013, Accumulated Other Comprehensive Income (Loss) on the Company's Unaudited Condensed Consolidated Statement of Financial Condition includes an accumulated Unrealized Gain (Loss) on Marketable Securities, net, and a Foreign Currency Translation Adjustment Gain (Loss), net, of ($1,519) and ($9,396), respectively.

Other Revenue, Including Interest, and the Provision for Income Taxes on the Unaudited Condensed Consolidated Statement of Operations for the six months ended June 30, 2013 includes ($1,683) and ($573), respectively, reclassified from Accumulated Other Comprehensive Income (Loss) related to the recognition of a cumulative foreign exchange translation loss as a result of the consolidation of Pan.

Note 12 – Noncontrolling Interest

Noncontrolling Interest recorded in the unaudited condensed consolidated financial statements of the Company relates to a 16% interest in Evercore LP, a 28% interest in ECB, a 49% interest in Evercore Wealth Management, LLC (“EWM”), a 34% equity interest in Atalanta Sosnoff Capital L.L.C. (“Atalanta Sosnoff”), a 38% interest in Institutional Equities, a 14% interest in Evercore Trust Company, N.A. (“ETC”), a 32% interest in Pan and other private equity partnerships, not owned by the

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Company at June 30, 2013. The Atalanta Sosnoff interest excludes the Series C Profits Interest, which has been reflected in Employee Compensation and Benefits Expense on the Unaudited Condensed Consolidated Statements of Operations. The Noncontrolling Interest for Evercore LP, EWM, Atalanta Sosnoff, Institutional Equities and ETC have rights, in certain circumstances, to convert into Class A Shares.

Changes in Noncontrolling Interest for the six months ended June 30, 2013 and 2012 were as follows:

	For the Six Months Ended June 30,	
	2013	2012
Beginning balance	$62,243	$58,162
Comprehensive income (loss)		
Operating income	7,994	2,455
Other comprehensive income (loss)	(555)	(61)
Total comprehensive income	7,439	2,394
Other items		
Evercore LP Units Purchased or Converted into Class A Common Stock	(13,187)	(1,185)