

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

Advance America, Cash Advance Centers, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from John Rowan – Sidoti & Company.

John Rowan – Sidoti & Company

In Arkansas, can you explain what you're doing to change your business model that is complying with what the Attorney General has asked of you?

Patrick O'Shaughnessy

We basically changed the model to become primarily a check casher in that state.

John Rowan – Sidoti & Company

As far as the buy back obviously I don't think you have much left under your current authorization but are you also maxed out on the buy back in regard to what you're allowed to do under the revolver?

Patrick O'Shaughnessy

Yes, when we authorized the buy back program we asked the banks for the same authorization so they dovetail exactly.

John Rowan – Sidoti & Company

Did you plan on going back to your bank to ask for more?

Patrick O'Shaughnessy

We're going to just continue to evaluate what we think the best use of our capital is. We would have to go to both the Board and our banking group to get approval for a new authorization.

John Rowan – Sidoti & Company

Out of the stores that you opened did you do any openings in Canada or the UK?

Ken Compton

Canada no. I think we're still sitting with 10 centers, seven in Manitoba, and three in British Columbia. I think we had two additional centers during the quarter. In the UK we have 14 centers and 82 limited licensees in the UK.

John Rowan – Sidoti & Company

Are you waiting for provincial rates to be set before you would consider making a more aggressive move into Canada?

Ken Compton

We are. We've been pretty consistent on that. We all know it's much slower than what we might have anticipated but yes we are waiting until the rates are set.

Operator

Your next question comes from Richard Shane – Jefferies.

Richard Shane – Jefferies

What was the actual dollar value of advances during the quarter?

Patrick O'Shaughnessy

The total advances, let me see if I can get that.

Richard Shane – Jefferies

While you're looking, because this may be in the same vein. You said the government affairs spending was up about \$1.6 million year over year. What percentage of G&A is government affairs spending just so we have some context around that \$1.6 million?

Patrick O'Shaughnessy

The total payday loans that we advanced during the quarter was just over \$1 billion. The G&A, government affairs as a percent for the quarter, I don't have the quarter but it's about 20% of our expenses year to date if you look at the total G&A.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.