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## Portfolio Recovery Associates Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Please hold for your first question. Your first question comes from the line of Bob Napoli with Piper Jaffray. Please proceed.

#### Bob Napoli – Piper Jaffray

Lots of questions I will just ask one or two and then I'll let others ask I guess. I guess seasonally we're near the end of February and the first quarter you generally get a seasonal sequential pick up of 15%, you know as much of 20% sequential quarter improvement in cash collections and I know there's a lot of variables go into that and the growth rate etcetera. But the tax receipts are being a little bit delayed this year and I just wondered if you're seeing the same type of seasonal progression if you can give some color on first quarter progress in cash collections?

#### Kevin P. Stevenson

Well without turning this into our Q1 earnings call I'll just say that thus far and it's very early in the quarter we've tended to see, the you know same type of seasonal pick-up that we've experienced historically.

#### Bob Napoli – Piper Jaffray

Okay. I found it interesting kind of almost shocking I guess that the 61% of your purchases in the fourth quarter were bankruptcy accounts. What prompted such a large proportion of bankrupt accounts? Is there a competitor I know there's you know one or two big competitors that focus solely on the bankruptcy market, did they vacate the market? Or what made it so attractive to make that level of commitment to that business? You have lots of growth and you really didn't need the growth per say so it must have been something extremely attractive. So I'd like a little more color on that.

#### Kevin P. Stevenson

Well I mean we defiantly feel as though we're in the business to invest in appropriately priced assets be they bankrupt or charge off when they present themselves and we saw a situation which we felt was opportunistic and so we took it. We feel as though we understand the bankruptcy business well. We have a track record dating back a number of years now. We make almost no pricing mistakes judging by our historic results this far. We entered these transaction with a high degree of confidence and you know feel like it was a nice purchase.

#### Bob Napoli – Piper Jaffray

Okay how I mean you said one very large portfolio, how large was that one portfolio?

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