

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## CBIZ, Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

Thank you. (Operator instructions) And our first question comes from Josh Vogel from Sidoti & Company. Please go ahead.

#### Josh Vogel – Sidoti & Company

Good morning. Thank you. My first question was, I was curious about your exposure to auction rate securities and whether you think the impairment charge you took in Q3, is that something that we could see again in Q4?

#### Ware Grove

Yes. Hi, Josh, how are you?

#### Josh Vogel – Sidoti & Company

Good. Thank you.

#### Ware Grove

Yes. I remember that the accounting rules on auction rate securities or fair value accounting is that if you have an other-than-temporary impairment you're required to take a charge to the income statement. We decided to do that in the third quarter as kind of a conservative measure. We continue to hold several issues and auction rate securities at par; it's slightly over \$13 million. Throughout the year we've seen a couple of auction rate security issuers redeem at par. I think all the issuers are looking for alternatives to capital and they're redeeming their auction rate securities if they're able to at par. So at this point in time we continue to have the ability to hold all these until maturity. We don't need the short-term liquidity. But we felt in the third quarter that it would be a good measure to take an other-than-temporary impairment charge for one of the securities.

#### Steven Gerard

Josh, we something had about \$22 million when we started. We're down to about \$13 million today. There's only one issue we have that we think is in trouble and that – may be in trouble and that issue actually has a financial guarantee behind it. We do not expect at this point absent some catastrophic move in the markets to take any additional adjustment in the fourth quarter. And we believe – quite frankly we believe that this is money good. But you can't hold these in a suspense account too long.

The accounting definition really requires you to make some decisions. We just decided to do it in the third quarter.

**Josh Vogel – Sidoti & Company**

Okay. Great. That's helpful. Thank you. Shifting gears a little bit, we know that a good chunk of your business, 80% roughly is very sticky. It's typically insensitive to the economy in general. But I was curious about the other 20%, the IT consulting, the M&A valuation, financial consulting work. How has that been holding up?

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