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NIC Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you sir. (Operator instructions) Our first question comes from the line of Charlie Anderson with Dougherty & Co. Please go ahead.

Charlie Anderson - Dougherty & Co

Good afternoon, thanks for taking my questions guys.

Harry Herington

Hi Charlie.

Charlie Anderson - Dougherty & Co

Wanted to ask about any sort of commonality between California and Georgia here and as you look at the other opportunities in your pipeline right now, any lessons from those two that you could see a potential for any others that are in your pipeline and also opportunities in terms of the states you are talking to now just kind of reasons that we would see a cancellation and then if we can extrapolate that to anything else?

Harry Herington

Charlie, this is Harry, I am not going to down play this too much other than say these are specific to California and Georgia and the reasons for both of them are different and California clearly they brought on a new CIO after it had been released and once you had time to get her feet on the ground to see what was going on, she looked at it and pulled it back in and that didn't come as a surprise to us, we were expecting it at the moment, we heard that they were bringing in a CIO that I would think was just normal course of business. The Georgia one was a little bit more disappointing for us. To deal with Georgia, it was a

managed service contract, we tried to work with the state to come up with a solution for both of us that we could deliver what they are delivering today plus the additional requirements they had at the price that they had within the RFP and the gap was just too broad and Georgia looked at it and decided that what they needed to do was cancel the RFP and reconsider their options, (inaudible) out anywhere.

Charlie Anderson - Dougherty & Co

So do you expect Georgia to come back with another RFP but it would be more focused on those managed services or just what do you expect them to do?

Harry Herington

I expect both Georgia and California to come back with portal opportunities, I can't tell you a timeline, I do know that in both those states they are currently looking at what would be best for the state but I think they both learned a lot not only from the process but also from NIC. We have had great opportunities in both of those to educate them at a level that we never had access before. So I am actually kind of excited to what they do come back with.

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