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## Zix Corporation Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator's instruction) Your first question comes from the line of Jon Hickman - MDB Capital Group.

#### Jon Hickman - MDB Capital Group

Rick, can you give us any color on what is going on in the industry of people who are looking to cashing on the stimulus thing, people who are looking to buy a point solution for email encryption versus a kind of a complete electronic medical record? Is that pulling up your sales of people taking a second look? What is going on there?

#### Richard Spurr

Let me make sure I understand the question. I think you said stimulus bill affecting email but then you talked about?

#### Jon Hickman - MDB Capital Group

I mean e-Prescribing.

#### Richard Spurr

Okay, just for clarity. So, as we mentioned in our script here, I had asked that question, does the stimulus bill affects both of our products but with regards to your specific question, one way to answer the question is we have not seen the significant change in our business since the announcement of the stimulus bill. That is one way to answer it.

The jury is out is I think what we have communicated because it is in the final definition of what constitutes certified EHR that we will get greater clarity around this topic. As we said, e-Prescribing is a very clearly specified element of the new EHRs to find in the law. But the other elements of those certified EHRs are still a matter of debate. So, we do not know what the future will hold but we are certainly very tuned to those debates and watching closely to see that we can whatever turns out maximize the value of our Company.

#### Jon Hickman - MDB Capital Group

Okay then let me ask another question then. The mandate for Medicare went into effect, I mean it was passed last year in July 1, end of June and it went into effect the first of this year, right? I mean doctors now can get incentives if they use an electronic prescription system for Medicare, right?

**Richard Spurr**

Doctors are using more well in 2009, they check a box, own a form and they would then receive some money in 2010.

**Jon Hickman - MDB Capital Group**

They will receive the money in 2010?

**Richard Spurr**

Correct.

**Jon Hickman - MDB Capital Group**

Okay, so it just seems like I know it has only been a quarter. Doctors have only been able to get this incentive for a quarter and the money is not flowing into their hands. But it just seems like not match have happened and it is just not enough because the incentive is not enough of a deal to get a doctor interested or could you address that at all?

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