

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

America Service Group Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Our first question comes from the line of Mike Lamb, please go ahead.

Mike Lamb – Wealth Monitors

Good morning gentlemen and great quarter again. Quick question; I guess this should go to Jon regarding the outlook on the new business. You said there is just about \$300 million we're looking for as possible come outs over the next 12 months. Can you be a little more specific and are you seeing a growing trend due to budgetary issues?

Jon Walker

Thanks Mike. The answer to your question, there's some current contracts of our competitors that will be coming out in Delaware, Tennessee, Idaho and we're anticipating to come out, although there is no guarantee, in Delaware, Tennessee, Idaho, Indiana and Maryland over the next 12 months.

In your question around the budgets, I had nothing affirmative to tell me that it will. Although, there are some agencies out there, self-op agencies today who do, health department does their healthcare and were the share has to pay for through that budget and some of those shares are now looking out to other avenues to make sure that they're getting a good deal from their own county.

Mike Lamb - Wealth Monitors

What about on a state basis, for the state DOCs. Jon, are we seeing the commissioners there dealing with budget deficits and at least inquiring at a greater pace than we've seen in the past?

Jon Walker

Mike what I've seen so far is really Arizona, is the only state that's really taken it to a serious level and having serious discussions about contracting it out.

Mike Lamb - Wealth Monitors

Okay. How about region for Florida status there?

Jon Walker

As far as I know right now, either still so far and I had not heard anything in my six weeks to tell me that it's coming on anytime soon.

Mike Lamb - Wealth Monitors

Okay. Mike Taylor, regarding the charge on the legal expense, what ongoing legal expense do you anticipate in challenging this verdict?

Mike Taylor

It should be relatively minimal at this point, Mike. I mean basically as you noted we booked the judgment and now this award of court cost and legal fees against us. We will have some fairly minimal cost as we move through the appeal process in Idaho. As we've said, we think there are some very appeal able issues of this case and it's a unique situation that we find ourselves in.

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.