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EDWARDS A G INC
Form 10-Q
January 10, 2005
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended November 30, 2004

Commission file number 1-8527

A.G. EDWARDS, INC.

State of Incorporation: **DELAWARE** I.R.S. Employer Identification No: **43-1288229**

One North Jefferson Avenue St. Louis, Missouri 63103

Registrant's telephone number, including area code: (314) 955-3000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes X No

At December 31, 2004 there were 76,038,723 shares of A.G. Edwards, Inc. common stock, par value \$1, issued and outstanding.

A.G. EDWARDS, INC.

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PART I - FINANCIAL INFORMATION Item 1. FINANCIAL STATEMENTS

A. G. EDWARDS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except per share amounts) (Unaudited)

	November 30,	February 29,
ASSETS	2004	2004
Cash and cash equivalents	\$ 135,007	\$ 107,565

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Ederal and other regulations	Cash and government securities, segregated under		
Securities borrowed 113,815 106,034 Receivables: 100,034 Customers, less allowance for doubtful accounts of \$9,538 and \$45,593 2,313,804 2,373,007 Brokers, dealers and clearing organizations 11,885 14,693 Fees, dividends and interest 84,969 90,053 Securities inventory, at fair value: 70,2777 292,741 Government and agencies 69,922 30,806 Corporate 72,477 83,103 Investments 340,784 298,441 Property and equipment, at cost, net of accumulated depreciation and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 LIABILITIES AND STOCKHOLDERS' EQUITY \$9,900 \$28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: 200,254 153,451 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 807,831 4,40,60	federal and other regulations	194,845	373,726
Receivables: Customers, less allowance for doubtful accounts of \$9,538 and \$45,593	Securities purchased under agreements to resell	-	22,355
Customers, less allowance for doubtful accounts of \$9,538 and \$45,593	Securities borrowed	113,815	106,034
accounts of \$9,538 and \$45,593 2,313,804 2,373,007 Brokers, dealers and clearing organizations 11,885 14,693 Fees, dividends and interest 84,969 90,053 Securities inventory, at fair value: ************************************	Receivables:		
Brokers, dealers and clearing organizations 11,885 14,693 Fees, dividends and interest 84,969 90,053 Securities inventory, at fair value: 173,777 292,741 Government and agencies 69,922 30,806 Corporate 72,477 83,103 Investments 340,784 298,441 Property and equipment, at cost, net of accumulated depreciation and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 construction and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 corrier lincome taxes 9,900 \$8,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: 200,254 153,451 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 <t< td=""><td>Customers, less allowance for doubtful</td><td></td><td></td></t<>	Customers, less allowance for doubtful		
Fees, dividends and interest 84,969 90,053 Securities inventory, at fair value: Securities inventory, at fair value: State and municipal 173,777 292,741 Government and agencies 69,922 30,806 Corporate 72,477 83,103 Investments 340,784 298,441 Property and equipment, at cost, net of accumulated depreciation and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 LIABILITIES AND STOCKHOLDERS' EQUITY Short-term bank loans \$ 9,900 \$ 28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: 807,831 1,125,014 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensat	accounts of \$9,538 and \$45,593	2,313,804	2,373,007
Securities inventory, at fair value: 3 173,777 292,741 State and municipal 173,777 292,741 Government and agencies 69,922 30,806 Corporate 72,477 83,103 Investments 340,784 298,441 Property and equipment, at cost, net of accumulated depreciation and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 Chester a six assets 36,334 49,638 LIABILITIES AND STOCKHOLDERS' EQUITY Short-term bank loans 9,900 \$28,300 Checks payable 264,078 257,566 Securities loaned 264,078 257,566 Securities loaned 807,831 1,125,014 Brokers, dealers and clearing organizations 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation 208,989 206,734 Income taxes<	Brokers, dealers and clearing organizations	11,885	14,693
State and municipal 173,777 292,741 Government and agencies 69,922 30,806 Corporate 72,477 83,103 Investments 340,784 298,441 Property and equipment, at cost, net of accumulated depreciation and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 LIABILITIES AND STOCKHOLDERS' EQUITY \$ 4,105,297 \$ 4,435,059 Short-term bank loans \$ 9,900 \$ 28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: 200,254 153,451 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 <t< td=""><td>Fees, dividends and interest</td><td>84,969</td><td>90,053</td></t<>	Fees, dividends and interest	84,969	90,053
Government and agencies 69,922 30,806 Corporate 72,477 83,103 Investments 340,784 298,441 Property and equipment, at cost, net of accumulated depreciation and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 LIABILITIES AND STOCKHOLDERS' EQUITY \$9,900 \$28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: 200,254 153,451 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 <	Securities inventory, at fair value:		
Corporate 72,477 83,103 Investments 340,784 298,441 Property and equipment, at cost, net of accumulated depreciation and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 Chick assets \$4,105,297 \$4,435,059 LIABILITIES AND STOCKHOLDERS' EQUITY Stock assets 257,566 Securities loaned \$9,900 \$28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: 807,831 1,125,014 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 152,989 154,977 Total Liabilities 239,2559 2,656,740	State and municipal	173,777	292,741
Investments	Government and agencies	69,922	30,806
Property and equipment, at cost, net of accumulated depreciation and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 LIABILITIES AND STOCKHOLDERS' EQUITY ** 4,105,297 \$ 4,435,059 Short-term bank loans \$ 9,900 \$ 28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: ** ** Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: Preferred stock, \$25 par value: 4 - - Authorized, 4,000,000 shares, none issued - -	Corporate	72,477	83,103
depreciation and amortization of \$691,237 and \$639,756 488,508 498,706 Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 LIABILITIES AND STOCKHOLDERS' EQUITY \$ 4,105,297 \$ 4,435,059 Short-term bank loans \$ 9,900 \$ 28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: 200,254 153,451 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: 2 Preferred stock, \$25 par value: 2 - Authorized, 4,000,000 shares, none issued	Investments	340,784	298,441
Deferred income taxes 69,170 94,191 Other assets 36,334 49,638 \$ 4,105,297 \$ 4,435,059 LIABILITIES AND STOCKHOLDERS' EQUITY \$ 9,900 \$ 28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: 200,254 153,451 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: 2 Preferred stock, \$25 par value: 4 - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: 4 50,000,000 shares 96,463	Property and equipment, at cost, net of accumulated		
Other assets 36,334 49,638 LIABILITIES AND STOCKHOLDERS' EQUITY \$4,105,297 \$4,435,059 LIABILITIES AND STOCKHOLDERS' EQUITY \$9,900 \$28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: \$9,900 \$28,300 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: *** Preferred stock, \$25 par value: *** *** Authorized, 4,000,000 shares, none issued - - - Common stock, \$1 par value: *** *** *** Authorized, 550,000,000 shares *** *** *** *** <td>depreciation and amortization of \$691,237 and \$639,756</td> <td>488,508</td> <td>498,706</td>	depreciation and amortization of \$691,237 and \$639,756	488,508	498,706
\$ 4,105,297 \$ 4,435,059 LIABILITIES AND STOCKHOLDERS' EQUITY \$ 9,900 \$ 28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: 807,831 1,125,014 Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: Yereferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - - Common stock, \$1 par value: Authorized, 550,000,000 shares 96,463 96,463 Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Deferred income taxes	69,170	94,191
LIABILITIES AND STOCKHOLDERS' EQUITY Short-term bank loans \$ 9,900 \$ 28,300 \$ 264,078 257,566 \$ 288,829 231,438 Payables:	Other assets	36,334	49,638
Short-term bank loans \$ 9,900 \$ 28,300 Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: - Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: - - Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares 96,463 96,463 Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699		\$ 4,105,297	\$ 4,435,059
Checks payable 264,078 257,566 Securities loaned 288,829 231,438 Payables: Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	LIABILITIES AND STOCKHOLDERS' EQUITY		
Securities loaned 288,829 231,438 Payables:	Short-term bank loans	\$ 9,900	\$ 28,300
Payables: 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Checks payable	264,078	257,566
Customers 807,831 1,125,014 Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Securities loaned	288,829	231,438
Brokers, dealers and clearing organizations 200,254 153,451 Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: - - Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Payables:		
Securities sold but not yet purchased, at fair value 62,711 44,908 Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: - - Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Customers	807,831	1,125,014
Employee compensation and related taxes 392,743 440,764 Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: - - Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Brokers, dealers and clearing organizations	200,254	153,451
Deferred compensation 208,989 206,734 Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: Preferred stock, \$25 par value: Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: Authorized, 550,000,000 shares Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Securities sold but not yet purchased, at fair value	62,711	44,908
Income taxes 4,235 13,588 Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Employee compensation and related taxes	392,743	440,764
Other liabilities 152,989 154,977 Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: Preferred stock, \$25 par value: Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: Authorized, 550,000,000 shares Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Deferred compensation	208,989	206,734
Total Liabilities 2,392,559 2,656,740 Stockholders' Equity: - - Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Income taxes	4,235	13,588
Stockholders' Equity: - - Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Other liabilities	152,989	154,977
Preferred stock, \$25 par value: - - Authorized, 4,000,000 shares, none issued - - Common stock, \$1 par value: - - Authorized, 550,000,000 shares - - Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Total Liabilities	2,392,559	2,656,740
Authorized, 4,000,000 shares, none issued Common stock, \$1 par value: Authorized, 550,000,000 shares Issued, 96,463,114 shares Additional paid-in capital	Stockholders' Equity:		
Common stock, \$1 par value: Authorized, 550,000,000 shares Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Preferred stock, \$25 par value:		
Authorized, 550,000,000 shares Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Authorized, 4,000,000 shares, none issued	-	_
Issued, 96,463,114 shares 96,463 96,463 Additional paid-in capital 294,596 292,699	Common stock, \$1 par value:		
Additional paid-in capital 294,596 292,699	Authorized, 550,000,000 shares		
		96,463	96,463
Retained earnings 2,113,101	Additional paid-in capital	294,596	292,699
	Retained earnings	2,113,101	