

Merriman Curhan Ford Group, Inc.
Form 10-Q
November 10, 2008

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934.**

For the quarterly period ended September 30, 2008

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934.**

For the Transition Period from _____ to _____.

Commission file number: 1-15831

**MERRIMAN CURHAN FORD GROUP, INC.
(Exact Name of Registrant as Specified in its Charter)**

**Delaware
(State or Other Jurisdiction of
Incorporation or Organization)**

**11-2936371
(I.R.S. Employer
Identification No.)**

**600 California Street, 9th Floor
San Francisco, CA
(Address of Principal Executive Offices)**

**94108
(Zip Code)**

**(415) 248-5600
(Registrant's Telephone Number, Including Area Code)**

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 a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of shares of Registrant's common stock outstanding as of October 31, 2008 was 12,891,862.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements (unaudited)**

MERRIMAN CURHAN FORD GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
Revenue:				
Commissions	\$ 7,992,614	\$ 7,923,963	\$ 24,353,696	\$ 22,807,243
Principal transactions	(5,384,303)	2,478,297	(5,280,550)	10,804,073
Investment banking	1,600,260	5,616,491	9,423,666	15,480,518
Primary research	1,431,154	1,165,428	4,471,092	2,116,490
Advisory and other fees	341,810	476,015	581,410	1,147,363
Total revenue	5,981,535	17,660,194	33,549,314	52,355,687
Operating expenses:				
Compensation and benefits	8,743,732	12,096,131	34,016,942	35,673,505
Brokerage and clearing fees	558,344	627,223	2,042,828	1,921,920
Cost of primary research services	548,943	555,185	1,743,236	950,403
Professional services	3,987,874	518,045	7,290,374	1,603,163
Occupancy and equipment	650,678	499,459	1,877,288	1,395,048
Communications and technology	702,654	921,853	2,653,501	2,618,799
Depreciation and amortization	308,220	193,284	614,390	556,332
Amortization of intangible assets	116,536	264,771	349,607	485,414
Travel and entertainment	674,161	635,353	2,645,964	1,789,971
Other	1,388,335	1,277,519	3,505,583	2,993,878
Impairment of goodwill and intangible assets			2,601,516	
Total operating expenses	17,679,477	17,588,823	59,341,229	49,988,433
Operating (loss) income	(11,697,942)	71,371	(25,791,915)	2,367,254
Interest income	195,283	132,965	325,703	362,919
Interest expense	(22,665)	(15,876)	(61,673)	(97,087)
(Loss)/income before taxes	(11,525,324)	188,460	(25,527,885)	2,633,089
Income tax (expense) benefit	(198,014)		1,640,730	(55,000)
Net (loss) income	\$ (11,723,338)	\$ 188,460	\$ (23,887,155)	\$ 2,578,089
Basic net (loss) income per share:				
Net (loss) income	\$ (0.93)	\$ 0.02	\$ (1.91)	\$ 0.23

Diluted net (loss) income per share: