



Green Dot IPO prices at \$36, above expected range

Wed, Jul 21 2010

NEW YORK, July 21 (Reuters) - Green Dot Corp, a prepaid debit-card company, said on Wednesday that shares of in its initial public offering were priced at \$36 apiece.

The price was above the expected range.

It offered 4.56 million shares, more than expected, for proceeds of about \$164.1 million. Green Dot had planned to sell 4.17 million shares for between \$32 to \$35.

Green Dot, which has agreements with Wal-Mart Stores Inc, Walgreen and 7-Eleven, is the top player in the U.S. prepaid debit card industry. It sells prepaid debit cards to young, low-income consumers. Such consumers typically rely heavily on cash and do not have much access to credit.

The market for such cards is growing. Research firm Mercator Advisory Group has predicted that Americans will load as much as \$118.5 billion onto prepaid cards by 2012, compared with \$8.7 billion they put onto such cards in 2008.

Green Dot is exempt from a provision in the financial regulation bill which will restrict debit processing transaction fees, known as "interchange fees," that banks receive from merchants. The exemption will give it a competitive advantage.

The company's total operating revenue grew 52.8 percent to \$92.82 million in the three months ended March 31, according to its most recent prospectus. Net income applicable to common shareholders grew 25.6 percent to \$4.37 million.

The underwriters on the offering, who have the option to purchase another 683,708, are being led by JPMorgan and Morgan Stanley. The shares are expected to begin trading on the New York Stock Exchange on Thursday under the symbol "GDOT." (Reporting by Clare Baldwin and Phil Wahba; editing by Carol Bishopric)