Deferred tax assets (liabilities) are comprised of the following at December 31 (in thousands):

	2008	2007
Deferred tax assets:		
Compensation	**$ 54,029**	$ 48,907
Receivables	**9,999**	10,290
Other	**2,946**	3,858
Deferred tax liabilities:		
Intangible assets	**(34,462)**	(29,558)
Prepaid assets	**(6,255)**	(6,534)
Long-lived assets	**(3,517)**	(2,514)
Other	**(2,494)**	(1,252)
Net deferred tax assets	**$ 20,246**	$ 23,197

Income tax expense considers amounts which may be needed to cover exposures for open tax years. We do not expect any material impact related to open tax years; however, actual settlements may differ from amounts accrued.

NOTE 8: CAPITAL STOCK AND STOCK AWARD PLANS

PREFERRED STOCK. Our Certificate of Incorporation authorizes the issuance of 20,000,000 shares of Preferred Stock, par value $.10 per share. There are no shares of Preferred Stock outstanding. The Preferred Stock may be issued by resolution of our Board of Directors at any time without any action of the stockholders. The Board of Directors may issue the Preferred Stock in one or more series and fix the designation and relative powers. These include voting powers, preferences, rights, qualifications, limitations, and restrictions of each series. The issuance of any such series may have an adverse effect on the rights of holders of Common Stock and may impede the completion of a merger, tender offer, or other takeover attempt.

COMMON STOCK. Our Certificate of Incorporation authorizes 480,000,000 shares of Common Stock, par value $.10 per share. Subject to the rights of Preferred Stock, which may from time to time be outstanding, holders of Common Stock are entitled to receive dividends out of funds legally available, when and if declared by the Board of Directors, and to receive their share of the net assets of the company legally available for distribution upon liquidation or dissolution.

For each share of Common Stock held, stockholders are entitled to one vote on each matter to be voted on by the stockholders, including the election of directors. Holders of Common Stock are not entitled to cumulative voting; the holders of more than 50 percent of the outstanding Common Stock can elect all of any class of directors if they choose to do so. The stockholders do not have preemptive rights. All outstanding shares of Common Stock are fully paid and nonassessable.

STOCK AWARD PLANS. Effective January 1, 2006, we adopted SFAS 123R, *Share-Based Payment*. Under SFAS 123R, stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period. We had previously adopted the fair value recognition provisions of SFAS 123 in January 2004, using the retroactive restatement method. Total compensation expense recognized in our statements of operations for stock-based compensation awards was $20.8 million in 2008, $38.0 million in 2007, and $47.3 million in 2006.

Our 1997 Omnibus Stock Plan allows us to grant certain stock awards, including stock options at fair market value and restricted shares and units, to our key employees and outside directors. A maximum of 28,000,000 shares can be granted under this plan; 8,676,000 shares were available for stock awards as of December 31, 2008, which cover stock options and restricted stock awards. Awards that expire or are cancelled without delivery of shares generally become available for issuance under the plans.

The contractual lives of all options as originally granted are ten years. Options vest over a five-year period from the date of grant, with none vesting the first year and one quarter vesting each year after that. Recipients are able to exercise options using a stock swap which results in a new, fully-vested restoration option with a grant price established based on the date of the swap and a remaining contractual life equal to the remaining life of the original option. Options issued to non-employee directors vest immediately. The fair value per option is established using the Black-Scholes option pricing model, with the resulting expense being recorded over the vesting period of the award. Other than restoration options, we have not issued any new stock options since 2003. As of December 31, 2008, there was no unrecognized compensation expense related to stock options since all outstanding options were fully vested.

The following schedule summarizes stock option activity in the plan.

	Shares	Weighted Average Exercise Price	Weighted Aggregate Intrinsic Value (in thousands)	Average Remaining Life (years)
December 31, 2007	4,288,612	$ 14.80		
Grants	72,461	53.84		
Exercised	(1,278,419)	13.74		
Terminated	(227,727)	11.62		
Outstanding at December 31, 2008	**2,854,927**	**$ 16.87**	**$ 109,312**	**3.1**
Vested at December 31, 2008	**2,854,927**	**$ 16.87**	**$ 109,312**	**3.1**
Exercisable at December 31, 2008	**2,854,927**	**$ 16.87**	**$ 109,312**	**3.1**

The intrinsic value of options exercised during 2008, 2007, and 2006 was $52.0 million, $45.5 million, and $49.0 million.

The fair value per option was estimated using the Black-Scholes option pricing model with the following assumptions:

	2008 Grants	2007 Grants	2006 Grants
Risk-free interest rate	**4.5%**	4.5-4.7%	4.6-5.0%
Dividend per share (quarterly amounts)	**$ .22-.24**	$ .18-.22	$ .13-.18
Expected volatility factor	**31.2%**	26.7-31.2%	20.0-25.8%
Expected option term	**.3-5 years**	.5-6 years	1-6 years
Weighted average fair value per option	**$ 11.80**	$ 12.02	$ 10.28

RESTRICTED STOCK GRANTS. We have awarded performance-based restricted shares and restricted units to certain key employees and non-employee directors. These restricted shares and restricted units are subject to certain vesting requirements over a five-year period, based on the operating performance of the company. The awards also contain restrictions on the awardees' ability to sell or transfer vested shares or units for a specified period of time. The fair value of these shares is established based on the market price on the date of grant, discounted for post-vesting holding restrictions. The discount has ranged from 12 to 22 percent based on the different post-vesting holding restrictions. This discount was estimated using the Black-Scholes option pricing model. Increased stock price volatility is the primary factor that has caused the change in the discount applied. These grants are being expensed based on the terms of the awards.

The following table summarizes our nonvested performance-based restricted stock grants as of December 31, 2008:

	Number of Restricted Shares and Units	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2007	1,180,908	$ 35.79
Granted	2,498,912	39.63
Vested	(466,527)	35.37
Cancelled	(20,061)	36.01
Nonvested at December 31, 2008	**3,193,232**	**$ 38.87**

The fair value of restricted stock vested during 2008, 2007, and 2006 was $16.5 million, $27.3 million, and $33.0 million. We have also awarded restricted shares and units to certain key employees that vest primarily based on their continued employment. The value of these awards is established by the market price on the date of the grant and is being expensed over the vesting period of the award.

As of December 31, 2008, there is unrecognized compensation expense of $130.5 million related to previously granted restricted equity. The amount of future expense to be recognized will be based on company performance and other certain conditions.

We have also issued to certain key employees restricted units which are fully vested upon issuance and contain restrictions on the awardees' ability to sell or transfer vested units for a specified period of time. The fair value of these shares is established using the same method discussed above. These grants have been expensed during the year they were earned by employees.

EMPLOYEE STOCK PURCHASE PLAN. Our 1997 Employee Stock Purchase Plan allows our employees to contribute up to $10,000 of their annual cash compensation to purchase company stock. Purchase price is determined using the closing price on the last day of the quarter discounted by 15 percent. Shares are vested immediately. Employees purchased approximately 230,000, 220,000, and 206,000 shares of our Common Stock under this plan at an aggregate cost of $10.5 million, $9.5 million, and $8.3 million in 2008, 2007, and 2006.

SHARE REPURCHASE PROGRAMS. During 1999, the Board of Directors authorized a stock repurchase program that allows management to repurchase 8,000,000 shares for reissuance upon the exercise of employee stock options and other stock plans. We purchased 3,221,300 and 1,926,500 of our common stock for the treasury at an aggregate cost of $163.9 million and $85.3 million in 2007 and 2006 under this stock repurchase plan. There are no shares remaining for repurchase under this authorization.

During 2007, the Board of Directors authorized management to repurchase an additional 10,000,000 shares under the program for reissuance upon the exercise of employee stock options and other stock plans. We purchased 62,700 shares of our common stock for the treasury at an aggregate cost of $3.4 million under this stock repurchase program in 2007. We purchased 3,720,000 shares of our common stock for the treasury at an aggregate cost of $200.8 million in 2008. There are approximately 6.2 million shares remaining for repurchase under this program.

NOTE 9: COMMITMENTS AND CONTINGENCIES

EMPLOYEE BENEFIT PLANS. We offer a defined contribution profit-sharing and savings plan which qualifies under section 401(k) of the Internal Revenue Code and covers all eligible U.S. employees. Annual profit-sharing contributions are determined by our Board of Directors in accordance with the provisions of the plan. We can also elect to make matching contributions to the plan at the discretion of our Board of Directors. Profit-sharing plan expense, including matching contributions, was approximately $30.0 million in 2008, $30.3 million in 2007, and $27.3 million in 2006.

NONQUALIFIED DEFERRED COMPENSATION PLAN. The Robinson Companies Nonqualified Deferred Compensation Plan provides certain employees the opportunity to defer a specified percentage or dollar amount of their cash and stock compensation. Participants may elect to defer up to 100 percent of their cash compensation. The accumulated benefit obligation was $0.9 million and $1.2 million as of December 31, 2008 and December 31, 2007, respectively. We have purchased investments to fund the future liability. The investments had an aggregate market value of $0.9 million as of December 31, 2008 and $1.2 million as of December 31, 2007, and are included in other assets in the consolidated balance sheets. In addition, all restricted shares granted but not yet delivered are also held within this plan.

LEASE COMMITMENTS. We lease certain facilities and equipment under operating leases. Lease expense was $32.1 million for 2008, $26.9 million for 2007, and $22.2 million for 2006.

Minimum future lease commitments under noncancelable lease agreements in excess of one year as of December 31, 2008, are as follows (in thousands):

2009	$ 23,569
2010	20,293
2011	16,195
2012	11,110
2013	7,101
Thereafter	19,908
Total	**$ 98,176**

In addition to minimum lease payments, we are typically responsible under our lease agreements to pay our pro rata share of maintenance expenses, common charges, and real estate taxes of the buildings we lease space in.

LITIGATION. As we previously disclosed, certain gender discrimination class claims were settled in 2006. The settlement was within our insurance coverage limits and was fully funded by insurance.

Although insurance fully funded the gender class settlement, those insurers reserved the right to seek a court ruling that a portion of the settlement was not covered under their policies, and also to dispute payment of certain defense costs incurred in that litigation. Insurance coverage litigation between us and one of our insurance carriers concerning these issues and insurance coverage for individual lawsuits that were not part of the class settlement has been pending in Minnesota State Court. Recent court rulings have determined that the gender class settlement payment was appropriately covered under applicable policies, and that the insurance carrier has a duty to reimburse reasonable defense costs in the gender class action