

SEI INVESTMENTS CO
Form 10-Q
August 02, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)*

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2012

or
 Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____
0-10200
(Commission File Number)

SEI INVESTMENTS COMPANY
(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of incorporation or organization)
1 Freedom Valley Drive, Oaks, Pennsylvania 19456-1100
(Address of principal executive offices)
(Zip Code)
(610) 676-1000
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

23-1707341
(IRS Employer Identification Number)

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

The number of shares outstanding of the registrant's common stock as of July 31, 2012 was 173,556,605.

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SEI Investments Company

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.

SEI Investments Company
 Consolidated Balance Sheets
 (unaudited)
 (In thousands)

	June 30, 2012	December 31, 2011
Assets		
Current Assets:		
Cash and cash equivalents	\$347,494	\$420,986
Restricted cash	6,000	6,000
Receivables from regulated investment companies	33,681	25,800
Receivables, net of allowance for doubtful accounts of \$820 and \$924 (Note 4)	168,913	142,109
Deferred income taxes	455	1,150
Securities owned (Note 6)	21,057	20,949
Other current assets	17,810	17,957
Total Current Assets	595,410	634,951
Property and Equipment, net of accumulated depreciation of \$191,976 and \$182,453 (Note 4)	135,011	129,548
Capitalized Software, net of accumulated amortization of \$131,631 and \$117,100	312,815	309,133
Investments Available for Sale (Note 6)	81,238	83,008
Trading Securities (Note 6)	53,253	56,325
Investment in Unconsolidated Affiliate (Note 2)	63,553	60,954
Other Assets, net	23,582	20,640
Total Assets	\$1,264,862	\$1,294,559

The accompanying notes are an integral part of these consolidated financial statements.

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SEI Investments Company
 Consolidated Balance Sheets
 (unaudited)
 (In thousands, except par value)

	June 30, 2012	December 31, 2011
Liabilities and Equity		
Current Liabilities:		
Accounts payable	\$3,850	\$1,999
Accrued liabilities (Note 4)	100,902	147,044
Deferred revenue	631	2,030
Total Current Liabilities	105,383	151,073
Deferred Income Taxes	91,819	93,751
Other Long-term Liabilities (Note 11)	10,632	8,276
Total Liabilities	207,834	253,100
Commitments and Contingencies (Note 12)		
Equity:		
SEI Investments shareholders' equity:		
Common stock, \$.01 par value, 750,000 shares authorized; 173,374 and 176,506 shares issued and outstanding	1,734	1,765
Capital in excess of par value	588,419	577,949
Retained earnings	447,812	443,702
Accumulated other comprehensive income, net	2,137	1,900
Total SEI Investments shareholders' equity	1,040,102	1,025,316
Noncontrolling interest	16,926	16,143
Total Equity	1,057,028	1,041,459
Total Liabilities and Equity	\$1,264,862	\$1,294,559

The accompanying notes are an integral part of these consolidated financial statements.

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SEI Investments Company
Consolidated Statements of Operations
(unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues:				
Asset management, administration and distribution fees	\$176,613	\$172,331	\$349,567	\$339,835
Information processing and software servicing fees	57,254	56,035	113,454	111,859
Transaction-based and trade execution fees	7,370	9,394	16,114	18,559
Total revenues	241,237	237,760	479,135	470,253
Expenses:				
Subadvisory, distribution and other asset management costs	25,884	26,304	54,351	52,600
Software royalties and other information processing costs	5,228	7,188	11,705	14,205
Brokerage commissions	5,634	6,599	11,941	13,180
Compensation, benefits and other personnel	80,531	72,613	159,074	143,638
Stock-based compensation	3,865	3,810	7,898	7,542
Consulting, outsourcing and professional fees	26,329	29,398	53,284	55,396