SEI INVESTMENTS CO
Form 10-Q
August 04, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)*

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
for the quarterly period ended June 30, 2011

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	**23-1707341**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification Number)**

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)

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 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 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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	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 x

The number of shares outstanding of the registrant s common stock as of July 31, 2011 was 182,579,428.

PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.

SEI Investments Company

Consolidated Balance Sheets

(unaudited)

(In thousands)

	June 30, 2011	December 31, 2010
Assets		
Current Assets:		
Cash and cash equivalents	$ 442,311	$ 496,292
Restricted cash	4,000	4,000
Receivables from regulated investment companies	31,235	29,282
Receivables, net of allowance for doubtful accounts of $868 and $1,195 (Note 4)	149,425	136,490
Deferred income taxes	651	1,387
Securities owned (Note 6)	21,032	0
Other current assets	16,479	16,268
Total Current Assets	665,133	683,719
Property and Equipment, net of accumulated depreciation and amortization of $177,779 and $166,816 (Note 4)	136,543	140,568
Capitalized Software, net of accumulated amortization of $103,479 and $90,947	302,337	294,332
Investments Available for Sale (Note 6)	74,296	74,770
Trading Securities (Note 6)	64,183	104,594
Investment in Unconsolidated Affiliate (Note 2)	72,439	64,409
Other Assets, net	15,874	14,831
Total Assets	$ 1,330,805	$ 1,377,223

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

SEI Investments Company

Consolidated Balance Sheets

(unaudited)

(In thousands, except par value)

	June 30, 2011	December 31, 2010
Liabilities and Shareholders Equity		
Current Liabilities:		
Accounts payable	$ 2,855	$ 4,582
Accrued liabilities (Note 4)	101,335	121,410
Deferred revenue	361	1,608
Total Current Liabilities	104,551	127,600
Long-term Debt (Note 7)	40,000	95,000
Deferred Income Taxes	91,643	92,253
Other Long-term Liabilities (Note 11)	7,549	5,645
Total Liabilities	243,743	320,498
Commitments and Contingencies (Note 12)		
Equity:		
SEI Investments Company shareholders equity:		
Common stock, $.01 par value, 750,000 shares authorized; 183,175 and 186,141 shares issued and outstanding	1,832	1,861
Capital in excess of par value	585,619	565,393
Retained earnings	475,667	471,159
Accumulated other comprehensive income, net	7,042	3,157
Total SEI Investments Company shareholders equity	1,070,160	1,041,570
Noncontrolling interest	16,902	15,155
Total Equity	1,087,062	1,056,725
Total Liabilities and Equity	$ 1,330,805	$ 1,377,223

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

SEI Investments Company

Consolidated Statements of Operations

(unaudited)

(In thousands, except per share data)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010
Revenues:		
Asset management, administration and distribution fees	$ 172,331	$ 154,774
Information processing and software servicing fees	56,035	61,296
Transaction-based and trade execution fees	9,394	12,318
Total revenues	237,760	228,388
Expenses:		
Subadvisory, distribution and other asset management costs	26,304	24,600
Software royalties and other information processing costs	7,188	6,374
Brokerage commissions	6,599	8,666
Compensation, benefits and other personnel	72,613	67,012
Stock-based compensation	3,810	6,278
Consulting, outsourcing and professional fees	29,398	22,702
Data processing and computer related	11,610	10,417
Facilities, supplies and other costs	14,098	13,586
Amortization	6,792	5,997
Depreciation	5,391	5,584
Total expenses	183,803	171,216
Income from operations	53,957	57,172
Net (loss) gain from investments	(1,948)	3,594
Interest and dividend income	1,436	1,502
Interest expense	(155)	(415)
Other income	0	1,070
Equity in earnings of unconsolidated affiliate	29,530	23,519
Net income before income taxes	82,820	86,442
Income taxes	28,707	32,603
Net income	54,113	53,839
Less: Net income attributable to the noncontrolling interest	(510)	(361)
Net income attributable to SEI Investments Company	$ 53,603	$ 53,478
Basic earnings per common share	$ .29	$ .28
Diluted earnings per common share	$ .29	$ .28
Dividends declared per common share	$ .12	$ .10

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

SEI Investments Company

Consolidated Statements of Operations

(unaudited)

(In thousands, except per share data)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Revenues:		
Asset management, administration and distribution fees	$ 339,835	$ 307,712
Information processing and software servicing fees	111,859	119,922
Transaction-based and trade execution fees	18,559	22,289
Total revenues	470,253	449,923
Expenses:		
Subadvisory, distribution and other asset management costs	52,600	50,183
Software royalties and other information processing costs	14,205	12,448
Brokerage commissions	13,180	16,091
Compensation, benefits and other personnel	143,638	134,228
Stock-based compensation	7,542	12,935
Consulting, outsourcing and professional fees	55,396	43,409
Data processing and computer related	22,913	20,345
Facilities, supplies and other costs	28,200	27,080
Amortization	13,023	11,897
Depreciation	11,002	10,790
Total expenses	361,699	339,406
Income from operations	108,554	110,517
Net gain from investments	5,330	21,073
Interest and dividend income	2,980	3,202
Interest expense	(359)	(886)
Other income	0	1,070
Equity in earnings of unconsolidated affiliate	58,479	47,593
Net income before income taxes	174,984	182,569
Income taxes	62,831	68,872
Net income	112,153	113,697
Less: Net income attributable to the noncontrolling interest	(822)	(799)
Net income attributable to SEI Investments Company	$ 111,331	$ 112,898
Basic earnings per common share	$ .60	$ .60
Diluted earnings per common share	$ .59	$ .59
Dividends declared per common share	$ .12	$ .10

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

SEI Investments Company

Consolidated Statements of Comprehensive Income

(unaudited)

(In thousands)

		Three Months Ended June 30, 2011		2010
Net income		$ 54,113		$ 53,839
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments		1,467		(5,071)
Unrealized holding gain on investments:				
Unrealized holding gains during the period, net of income tax expense of $348 and $304	816		690	
Less: reclassification adjustment for (gains) losses realized in net income, net of income tax (expense) benefit of $(15) and $2	28	788	4	694
Total other comprehensive income (loss), net of tax		2,255		(4,377)
Comprehensive income		$ 56,368		$ 49,462
Comprehensive (income) loss attributable to noncontrolling interest		(1,015)		926
Comprehensive income attributable to SEI Investments Company		$ 55,353		$ 50,388

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

SEI Investments Company

Consolidated Statements of Comprehensive Income

(unaudited)

(In thousands)

	Six Months Ended June 30,			
		2011		2010
Net income		$ 112,153		$ 113,697
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments		4,295		(4,294)
Unrealized holding gain on investments:				
Unrealized holding gains during the period, net of income tax expense of $236 and $649	646		690	
Less: reclassification adjustment for (gains) losses realized in net income, net of income tax (expense) benefit of $(75) and $17	(131)	515	31	721
Total other comprehensive income (loss), net of tax		4,810		(3,573)
Comprehensive income		$ 116,963		$ 110,124
Comprehensive income attributable to noncontrolling interest		(1,747)		(5)
Comprehensive income attributable to SEI Investments Company		$ 115,216		$ 110,119

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

SEI Investments Company

Consolidated Statements of Cash Flows

(unaudited)

(In thousands)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Cash flows from operating activities:		
Net income	$ 112,153	$ 113,697
Adjustments to reconcile net income to net cash provided by operating activities	(19,313)	(55,110)
Net cash provided by operating activities	92,840	58,587
Cash flows from investing activities:		
Additions to restricted cash	0	(430)
Additions to property and equipment	(6,973)	(7,201)
Additions to capitalized software	(20,537)	(17,578)
Purchase of marketable securities	(36,596)	(24,769)
Prepayments and maturities of marketable securities	23,134	28,297
Sale of marketable securities	37,408	23,069
Sale of other investments	4,905	0
LSV and LSV Employee Group cash balances, net (A)	0	(37,083)
Net cash provided by (used in) investing activities	1,341	(35,695)
Cash flows from financing activities:		
Payments on long-term debt	(55,000)	(83,000)
Purchase and retirement of common stock	(94,137)	(47,643)
Proceeds from issuance of common stock	20,845	13,821
Tax benefit on stock options exercised	2,171	993
Payment of dividends	(22,041)	(36,011)
Net cash used in financing activities	(148,162)	(151,840)
Net decrease in cash and cash equivalents	(53,981)	(128,948)
Cash and cash equivalents, beginning of period	496,292	590,877
Cash and cash equivalents, end of period	$ 442,311	$ 461,929

(A) Cash balances, net of the partnership distribution payment received in January 2010, of LSV and LSV Employee Group at December 31, 2009 removed due to the deconsolidation of the accounts and operations of LSV and LSV Employee Group in January 2010.

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

Notes to Consolidated Financial Statements

(all figures are in thousands except per share data)

Note 1. Summary of Significant Accounting Policies

Nature of Operations

SEI Investments Company (the Company), a Pennsylvania corporation, provides investment processing, fund processing, and investment management business outsourcing solutions to corporations, financial institutions, financial advisors, and ultra-high-net-worth families in the United States, Canada, the United Kingdom, continental Europe, and other various locations throughout the world. Investment processing solutions utilize the Company s proprietary software systems to track investment activities in multiple types of investment accounts, including personal trust, corporate trust, institutional trust, and non-trust investment accounts, thereby allowing banks and trust companies to outsource trust and investment related activities. Revenues from investment processing solutions are recognized in Information processing and software servicing fees on the accompanying Consolidated Statements of Operations, except for fees earned associated with trade execution services.

The fund processing solution offers a full range of administration and distribution support services to mutual funds, collective trust funds, single-manager hedge funds, funds of hedge funds, private equity funds and other types of investment funds. Administrative services include fund accounting, trustee and custodial support, legal support, transfer agency and shareholder servicing. Distribution support services range from market and industry insight and analysis to identifying distribution opportunities. Revenues from fund processing solutions are recognized in Asset management, administration and distribution fees on the accompanying Consolidated Statements of Operations.

Investment management programs consist of mutual funds, alternative investments and separate accounts. These include a series of money market, equity, fixed-income and alternative investment portfolios, primarily in the form of registered investment companies. The Company serves as the administrator and investment advisor for many of these products. Revenues from investment management programs are recognized in Asset management, administration and distribution fees on the accompanying Consolidated Statements of Operations.

Basis of Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Certain financial information and accompanying note disclosure normally included in the Company s Annual Report on Form 10-K has been condensed or omitted. The interim financial information is unaudited but reflects all adjustments (consisting of only normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of financial position of the Company as of June 30, 2011, the results of operations for the three and six months ended June 30, 2011 and 2010, and cash flows for the six month periods ended June 30, 2011 and 2010. These interim Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and the Notes to the Consolidated Financial Statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2010.

There have been no significant changes in significant accounting policies during the six months ended June 30, 2011 as compared to the significant accounting policies described in the Company s Annual Report on Form 10-K for the year ended December 31, 2010.

Cash and Cash Equivalents

Cash and cash equivalents includes $302,202 and $383,946 at June 30, 2011 and December 31, 2010, respectively, primarily invested in SEI-sponsored open-ended money market mutual funds.

Restricted Cash

Restricted cash includes $3,000 at June 30, 2011 and December 31, 2010 segregated for regulatory purposes related to trade-execution services conducted by SEI Investments (Europe) Limited. Restricted cash also includes $1,000 at June 30, 2011 and December 31, 2010 segregated in special reserve accounts for the benefit of customers of the Company s broker-dealer subsidiary, SEI Investments Distribution Co. (SIDCO), in accordance with certain rules established by the Securities and Exchange Commission for broker-dealers.

Capitalized Software

The Company capitalized $20,537 and $17,578 of software development costs during the six months ended June 30, 2011 and 2010, respectively. As of June 30, 2011, capitalized software placed into service included on the accompanying Consolidated Balance Sheet had a weighted average remaining life of approximately 11.0 years. Amortization expense related to capitalized software was $12,532 and $11,400 during the six months ended June 30, 2011 and 2010, respectively.

Software development costs capitalized during the six months ended June 30, 2011 and 2010 relates to the continued development of the Global Wealth Platform (GWP). As of June 30, 2011, the net book value of GWP was $289,023 (net of accumulated amortization of $74,400), including $12,161 of capitalized software development costs in-progress associated with future releases. GWP has an estimated useful life of 15 years and a weighted average remaining life of 11.0 years. Amortization expense for GWP was $12,249 and $11,117 during the six months ended June 30, 2011 and 2010, respectively.

Earnings per Share

The calculations of basic and diluted earnings per share for the three months ended June 30, 2011 and 2010 are:

	For the Three Months Ended June 30, 2011		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$ 53,603	184,585	$ .29
Dilutive effect of stock options	0	2,435	
Diluted earnings per common share	$ 53,603	187,020	$ .29

	For the Three Months Ended June 30, 2010		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$ 53,478	189,356	$ .28
Dilutive effect of stock options	0	2,144	
Diluted earnings per common share	$ 53,478	191,500	$ .28

Employee stock options to purchase 7,675,000 and 10,422,000 shares of common stock, with an average exercise price of $28.25 and $24.87, were outstanding during the three months ended June 30, 2011 and 2010, respectively, but not included in the computation of diluted earnings per common share because the effect on diluted earnings per common share would have been anti-dilutive.

The calculations of basic and diluted earnings per share for the six months ended June 30, 2011 and 2010 are:

	For the Six Months Ended June 30, 2011		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$ 111,331	185,186	$ .60
Dilutive effect of stock options	0	2,571	
Diluted earnings per common share	$ 111,331	187,757	$ .59

	For the Six Months Ended June 30, 2010		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$ 112,898	189,652	$ .60
Dilutive effect of stock options	0	1,629	
Diluted earnings per common share	$ 112,898	191,281	$ .59

Employee stock options to purchase 7,606,000 and 16,210,000 shares of common stock, with an average exercise price of $28.26 and $23.46, were outstanding during the six months ended June 30, 2011 and 2010, respectively, but not included in the computation of diluted earnings per common share because the effect on diluted earnings per common share would have been anti-dilutive.

New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued a final Accounting Standards Update which represents the converged guidance of the FASB and the International Accounting Standards Board on fair value measurement. The guidance clarifies how a principal market is determined, addresses the fair value measurement of instruments with offsetting market or counterparty credit risks, addresses the concept of valuation premise and highest and best use, extends the prohibition on blockage factors to all three levels of the fair value hierarchy and requires additional disclosures. The guidance is effective for interim and annual periods beginning after December 15, 2011 and is applied prospectively. The Company is currently evaluating the requirements of the guidance and has not yet determined its impact on the Company s consolidated financial statements.

In June 2011, the FASB issued a final Accounting Standards Update to amend the presentation of comprehensive income in financial statements. This new guidance allows companies the option to present other comprehensive income in either a single continuous statement or in two separate but consecutive statements. Under both alternatives, companies will be required to present each component of net income and comprehensive income. The adoption of this guidance may impact the presentation of the Company s consolidated financial statements, but it will not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The guidance is effective for interim and annual periods beginning after December 15, 2011 and will require retrospective application for all periods presented.

Statements of Cash Flows

For purposes of the Consolidated Statements of Cash Flows, the Company considers investment instruments purchased with an original maturity of three months or less to be cash equivalents.

The following table provides the details of the adjustments to reconcile net income to net cash provided by operating activities for the six months ended June 30:

	2011	2010
Net income	$ 112,153	$ 113,697
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	11,002	10,790
Amortization	13,023	11,897
Equity in earnings of unconsolidated affiliate	(58,479)	(47,593)
Distributions received from unconsolidated affiliate	50,760	23,117
Stock-based compensation	7,542	12,935
Provision for losses on receivables	(327)	(893)
Deferred income tax expense	(36)	635
Net realized gains from investments	(5,330)	(21,073)
Change in other long-term liabilities	1,904	26
Change in other assets	(1,658)	(457)
Other	3,858	(3,493)
Change in current asset and liabilities		
Decrease (increase) in		
Receivables from regulated investment companies	(1,953)	(1,503)
Receivables	(15,353)	(14,324)
Other current assets	(211)	308
Increase (decrease) in		
Accounts payable	(1,727)	(1,774)
Accrued liabilities	(21,081)	(22,999)
Deferred revenue	(1,247)	(709)
Total adjustments	(19,313)	(55,110)
Net cash provided by operating activities	$ 92,840	$ 58,587

As previously disclosed in the Company s Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, during the three months ended September 30, 2010, the Company identified that it had incorrectly classified certain accounts payable related to the purchase of computer software during the three months ended June 30, 2010 as Additions to property and equipment in the Cash flows from investing activities section on the consolidated statement of cash flows in the six months ended June 30, 2010. The effect of the misclassification resulted in Cash flows provided by operating activities and Cash flows used in investing activities being overstated by $7,102 for the six months ended June 30, 2010. The Company has revised its consolidated statement of cash flows for the six months ended June 30, 2010 to appropriately classify this amount to the Cash flows from operating activities. This misclassification had no effect on the consolidated balances sheets, consolidated statements of operations or consolidated statements of comprehensive income.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

Note 2. Investment in Unconsolidated Affiliate

The Company has an investment in the general partnership LSV Asset Management (LSV). LSV is a registered investment advisor that provides investment advisory services to institutions, including pension plans and investment companies. LSV is currently an investment sub-advisor for a small number of SEI-sponsored mutual funds. Currently, the Company s total partnership interest in LSV is approximately 41 percent. The Company accounts for its interest in LSV using the equity method. The Company s interest in the net assets of LSV is reflected in Investment in unconsolidated affiliate on the accompanying Consolidated Balance Sheets and its interest in the earnings of LSV is reflected in Equity in earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Operations.

At June 30, 2011, the Company s total investment in LSV was $72,439. The investment in LSV exceeded the underlying equity in the net assets of LSV by $3,936, of which $3,062 is considered goodwill embedded in the investment. The Company receives partnership distributions from LSV on a quarterly basis. The Company received partnership distribution payments from LSV for $50,760 and $44,359 in the six months ended June 30, 2011 and 2010, respectively. The partnership distribution payment of $21,242 received in the three months ended March 31, 2010 is reflected in LSV and LSV Employee Group cash balances, net on the accompanying Consolidated Statement of Cash Flows.

The Company s proportionate share in the earnings of LSV was $29,530 and $23,519 during the three months ended June 30, 2011 and 2010, respectively. During the six months ended June 30, 2011 and 2010, the Company s proportionate share in the earnings of LSV was $58,479 and $47,593, respectively.

The following table contains the condensed statements of operations of LSV for the three months ended June 30, 2011 and 2010:

	Three Months Ended June 30,	
	2011	2010
Revenues	$ 81,748	$ 65,011
Net income	72,018	56,641

The following table contains the condensed statements of operations of LSV for the six months ended June 30, 2011 and 2010:

	Six Months Ended June 30,	
	2011	2010
Revenues	$ 161,150	$ 131,020
Net income	141,964	114,613

<u>Guaranty Agreements</u>

In 2006, LSV Employee Group purchased an eight percent interest in LSV from two existing partners. In order to finance a portion of the purchase price, LSV Employee Group obtained financing from Bank of America, N.A. (Bank of America) and certain other lenders in the form of a term loan pursuant to the terms of a Credit Agreement. The Company agreed to provide a Guaranty Agreement to the lenders of all obligations of LSV Employee Group under the Credit Agreement. In January 2011, LSV Employee Group and Bank of America agreed to amend the Credit Agreement and extend the maturity date of the loan from January 2011 to July 2012. The Company s obligations under the Guaranty Agreement remain in full force and effect with respect to the amended Credit Agreement. The principal amount and interest of the term loan are paid in quarterly installments. LSV Employee Group made principal payments of $8,793 thus far during 2011. As of July 31, 2011, the remaining unpaid principal balance of the term loan was $1,298.

In April 2011, a group of existing employees of LSV agreed to purchase a partnership interest of an existing LSV employee for $4,300 of which $3,655 was financed through a new term loan with Bank of America. The group of existing LSV employees formed a new limited liability company, LSV Employee Group II, LLC (LSV Employee Group II). The Company provided an unsecured guaranty to the lenders of all the obligations of LSV Employee Group II. The lenders will have the right to seek payment from the Company in the event of a default by LSV Employee Group II. The term loan has a four year term and will be repaid from the quarterly distributions of LSV. LSV Employee Group II made a principal payment of $183 during July 2011. As of July 31, 2011, the remaining unpaid principal balance of the term loan was $3,472.

The Company s direct interest in LSV is unchanged as a result of this transaction. The Company has determined that LSV Employee Group II is a variable interest entity (VIE); however, the Company is not considered the primary beneficiary because it does not have the power to direct the activities that most significantly impact the economic performance of LSV Employee Group II either directly or through any financial responsibility from the guaranty.

As of July 31, 2011, the Company, in its capacity as guarantor, currently has no obligation of payment relating to the term loans of LSV Employee Group or LSV Employee Group II and, furthermore, fully expects that LSV Employee Group and LSV Employee Group II will meet all of their future obligations regarding their respective term loans.

Note 3. Variable Interest Entities

The Company has created numerous investment products for its clients in various types of legal entity structures. The Company serves as the Manager, Administrator and Distributor for these investment products and may also serve as the Trustee for some of the investment products. Clients are the equity investors and participate in proportion to their ownership percentage in the net income and net capital gains of the products, and, on liquidation, will participate in proportion to their ownership percentage in the remaining net assets of the products after satisfaction of outstanding liabilities. Some of the Company s investment products have been determined to be VIEs at inception.

The Company does not have a significant equity investment in any of the VIEs and does not have an obligation to enter into any guarantee agreements with the VIEs. The Company is not the primary beneficiary of the VIEs because the expected fees and the expected return on any investment into the VIE by the Company relative to the expected returns of the VIE to the equity investor holders does not approach 50 percent of the expected losses or gains of the VIEs. Therefore, the Company is not required to consolidate any investment products that are VIEs into its financial statements. The Company s variable interest in the VIEs, which consists of management fees and in some situations, seed capital, is not considered a significant variable interest.

The risks to the Company associated with its involvement with any of the investment products that are VIEs are limited to the cash flows received from the revenue generated for asset management, administration and distribution services and any equity investments in the VIEs. Both of these items are not significant. The Company has no other financial obligation to the VIEs.

Amounts relating to fees received from the VIEs included in Receivables and amounts relating to equity investments in the VIEs included in Investments Available for Sale on the Company s Consolidated Balance Sheets are not significant to the total assets of the Company.

Note 4. Composition of Certain Financial Statement Captions

<u>Receivables</u>

Receivables on the accompanying Consolidated Balance Sheets consist of:

	June 30, 2011	December 31, 2010
Trade receivables	$ 41,419	$ 34,528
Fees earned, not billed	101,355	93,506
Other receivables	7,519	9,651
	150,293	137,685
Less: Allowance for doubtful accounts	(868)	(1,195)
	$ 149,425	$ 136,490

Fees earned, not billed represents receivables earned but unbilled and results from timing differences between services provided and contractual billing schedules. These billing schedules generally provide for fees to be billed on a quarterly basis.

Receivables from regulated investment companies on the accompanying Consolidated Balance Sheets primarily represent fees receivable for distribution, investment advisory, and administration services to various regulated investment companies sponsored by SEI.

Property and Equipment

Property and Equipment on the accompanying Consolidated Balance Sheets consists of:

	June 30, 2011	December 31, 2010
Buildings	$ 136,411	$ 135,935
Equipment	67,266	63,902
Land	9,890	9,890
Purchased software	77,178	74,720
Furniture and fixtures	18,691	18,566
Leasehold improvements	4,700	4,250
Construction in progress	186	121
	314,322	307,384
Less: Accumulated depreciation and amortization	(177,779)	(166,816)
Property and Equipment, net	$ 136,543	$ 140,568

The Company recognized $11,002 and $10,790 in depreciation expense related to property and equipment for the six months ended June 30, 2011 and 2010, respectively.

Accrued Liabilities

Accrued liabilities on the accompanying Consolidated Balance Sheets consist of:

	June 30, 2011	December 31, 2010
Accrued employee compensation	$ 26,547	$ 43,747
Accrued employee benefits and other personnel	5,651	6,988
Accrued consulting, outsourcing and professional fees	20,576	16,390
Accrued brokerage fees	9,571	11,942
Accrued sub-advisory, distribution and other asset management fees	15,769	16,778
Accrued income taxes	0	2,077
Other accrued liabilities	23,221	23,488
Total accrued liabilities	$ 101,335	$ 121,410

Note 5. Fair Value Measurements

The fair value of the Company s financial assets and liabilities is determined in accordance with the fair value hierarchy. The fair value of the Company s financial assets, except for the fair value of senior notes issued by structured investment vehicles (SIVs), is determined using Level 1 or Level 2 inputs and consist mainly of investments in equity and fixed-income mutual funds that are quoted daily and Government National Mortgage Association (GNMA) and other U.S. government agency securities that are single issuer pools that are valued based on current market data for the specific issue owned or pools of similar securities. Level 3 financial assets consist of senior note obligations issued by SIVs. The Company did not have any Level 3 financial liabilities at June 30, 2011 or December 31, 2010. There were no transfers of financial assets between levels within the fair value hierarchy during the six months ended June 30, 2011.

Valuation of SIV Securities

The underlying collateral of the SIV securities is mainly comprised of asset-backed securities and collateralized debt obligations. The Company utilizes the services of a third party independent firm to assist in determining the fair value of the SIV security owned. Given the lack of any reliable market data on the SIV security, the firm utilized a valuation model that employs a net asset approach which considers the value of the underlying collateral of the SIV security to determine its fair value. Management evaluates the value received from the firm and considers other information, such as the existence of any current market activity, to determine the fair value of the SIV securities.

The model used by the independent valuation firm to determine the fair value of the SIV security attempts to value the underlying collateral of the SIV security through the use of industry accepted and proprietary valuation techniques and models. This approach combines advanced analytics with real-time market information that incorporate structural and fundamental analysis, collateral characteristics and recent market developments. Each security that makes up the underlying collateral is specifically identified by its CUSIP or ISIN number and is analyzed by using observable collateral characteristics and credit statistics in order to project future performance and expected cash flows for each individual security. The projected cash flows incorporate assumptions and expectations based upon the foregoing analysis of the collateral characteristics such as, but not limited to, default probabilities, recovery rates, prepayment speeds and loss severities. Expected future cash flows are discounted at an appropriate yield derived from the individual security, structural and collateral characteristics, trading levels and other available market data. Different modeling techniques and associated inputs and assumptions may be used to project future cash flows for each security depending upon the asset classification of that individual security (i.e. residential mortgage-backed security, commercial mortgage-backed security, collateralized debt obligations, etc.). The aggregate value of the discounted cash flows of the underlying collateral is compared to the total remaining par value of the collateral to determine the expected recovery price, or fair value, of the remaining note obligations. Other factors may be considered that are specific to the SIV security that may affect the fair value of the SIV security.

Management may also consider, when available, price quotes from brokers and dealers. If a price quote is available, management will compare this number to the fair value derived from the valuation model of the independent firm giving consideration to other market factors and risk premiums. Given the lack of any significant trading activity for the SIV security owned by the Company, management believes that market prices may not represent the implied fair value of the SIV security owned by the Company.

In the event a market transaction does exist for a SIV security, management evaluates the publicly available information surrounding the transaction in order to assess if the price used represents the fair value for the SIV security. In management s opinion, the current market for SIV securities does not represent any orderly and efficient market.

The fair value of certain financial assets and liabilities of the Company was determined using the following inputs:

		At June 30, 2011 Fair Value Measurements at Reporting Date Using		
	Total	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Equity available-for-sale securities	$ 9,526	$ 9,526	$ 0	$ 0
Fixed income available-for-sale securities	64,770	0	64,770	0
Fixed income securities owned	21,032	0	21,032	0
Trading securities issued by SIVs	60,053	0	0	60,053
Other trading securities	4,130	4,130	0	0
	$ 159,511	$ 13,656	$ 85,802	$ 60,053

	At December 31, 2010 Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Equity available-for-sale securities	$ 5,853	$ 5,853	$ 0	$ 0
Fixed income available-for-sale securities	68,917	0	68,917	0
Trading securities issued by SIVs	100,645	0	0	100,645
Other trading securities	3,949	3,949	0	0
	$ 179,364	$ 9,802	$ 68,917	$ 100,645

The table below presents a reconciliation for all assets and liabilities of the Company measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the period from January 1, 2011 to June 30, 2011:

	Trading Securities Issued by SIVs
Balance, January 1, 2011	$ 100,645
Purchases	0
Issuances	0
Principal prepayments and settlements	(10,806)
Sales	(34,706)
Total gains or (losses) (realized/unrealized):	
Included in earnings	4,920
Included in other comprehensive income	0
Transfers in and out of Level 3	0
Balance June 30, 2011	$ 60,053

The table below presents a reconciliation for all assets and liabilities of the Company measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the period from January 1, 2010 to June 30, 2010:

	Trading Securities Issued by SIVs
Balance, January 1, 2010	$ 120,714
Purchases	536
Issuances	0
Principal prepayments and settlements	(23,755)
Sales	(16,416)
Total gains or (losses) (realized/unrealized):	
Included in earnings	21,262
Included in other comprehensive income	0
Transfers in and out of Level 3	0
Balance June 30, 2010	$ 102,341

Note 6. Marketable Securities

Investments Available for Sale

Investments available for sale classified as non-current assets consist of:

	As of June 30, 2011			
	Cost Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
SEI-sponsored mutual funds	$ 8,971	$ 244	$ (8)	$ 9,207
Other mutual funds	277	42	0	319
Debt securities	62,249	2,521	0	64,770
	$ 71,497	$ 2,807	$ (8)	$ 74,296

	As of December 31, 2010			
	Cost Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
SEI-sponsored mutual funds	$ 5,086	$ 279	$ (14)	$ 5,351
Other mutual funds	443	59	0	502
Debt securities	67,118	1,799	0	68,917
	$ 72,647	$ 2,137	$ (14)	$ 74,770

Net unrealized holding gains at June 30, 2011 and December 31, 2010 were $1,854 (net of income tax expense of $945) and $1,339 (net of income tax expense of $784), respectively. These net unrealized gains are reported as a separate component of Accumulated other comprehensive income on the accompanying Consolidated Balance Sheets.

Gross realized gains and losses from available-for-sale securities during the six months ended June 30, 2011 and 2010 were minimal. Gains and losses from available-for-sale securities are reflected in Net (loss) gain from investments on the accompanying Consolidated Statements of Operations.

The Company s debt securities classified as available-for-sale securities are issued by GNMA and are backed by the full faith and credit of the U.S. government. These securities were purchased to satisfy applicable regulatory requirements of SEI Private Trust Company (SPTC) and have maturity dates which range from 2020 to 2040.

Trading Securities

Trading securities of the Company consist of:

	As of June 30, 2011			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
SIV securities	$ 153,477	$ 0	$ (93,424)	$ 60,053
LSV-sponsored mutual funds	2,049	2,081	0	4,130
	$ 155,526	$ 2,081	$ (93,424)	$ 64,183

	As of December 31, 2010			
		Gross	Gross	
		Unrealized	Unrealized	Fair
	Cost	Gains	Losses	Value
SIV securities	$ 231,026	$ 0	$ (130,381)	$ 100,645
LSV-sponsored mutual funds	2,049	1,900	0	3,949
	$ 233,075	$ 1,900	$ (130,381)	$ 104,594

The Company records all of its trading securities on the accompanying Consolidated Balance Sheets at fair value. Unrealized gains and losses from the change in fair value of these securities are recognized in Net (loss) gain from investments on the accompanying Consolidated Statements of Operations.

Through June 30, 2011, the Company recognized $139,915 in cumulative losses from SIV securities and SIV-related issues. During the six months ended June 30, 2011 and 2010, the Company recognized net gains from SIV securities of $4,920 and $21,262, respectively. Of the net gains recognized during the six months ended June 30, 2011, gains of $6,232 resulted from cash payments received from the SIV securities and losses of $1,312 resulted from a decrease in fair value at June 30, 2011. Of the gains recognized during the six months ended June 30, 2010, $14,446 resulted from cash payments received from the SIV securities and $6,433 was from an increase in fair value at June 30, 2010. The net gains from the SIV securities are reflected in Net (loss) gain from investments on the accompanying Consolidated Statements of Operations.

In January 2011, the Company sold the senior note obligation originally issued by Stanfield Victoria. There was no gain or loss recognized by the Company from the sale of the note in 2011 as the fair value of the Stanfield Victoria note at December 31, 2010 was not different than the sale price received.

The Company has an investment related to the startup of mutual funds sponsored by LSV. These are U.S. dollar denominated funds that invests primarily in securities of Canadian and Australian companies as well as various other global securities. The underlying securities held by the funds are translated into U.S. dollars within the funds. The net gains (losses) from the change in fair value of the funds during the three and six months ended June 30, 2011 and 2010 were minimal.

Securities Owned

During 2011, the Company s broker-dealer subsidiary, SIDCO, made investments in U.S. government agency and commercial paper securities with maturity dates less than one year. These investments are reflected as Securities owned on the accompanying Consolidated Balance Sheets. Due to specialized accounting practices applicable to investments by broker-dealers, the securities are reported at fair value and changes in fair value are recorded in current period earnings. The securities had a fair value of $21,032 at June 30, 2011. The changes in fair value recognized in the three and six months ended June 30, 2011 were minimal.

Note 7. Lines of Credit

The Company has a five-year $300,000 Credit Agreement (the Credit Facility) which expires in July 2012, at which time any aggregate principal amount of loans outstanding becomes payable in full. Any borrowings made under the Credit Facility will accrue interest at 0.450 percent above the London Interbank Offer Rate (LIBOR). There is also a commitment fee equal to 0.09 percent per annum on the daily unused portion of the facility. The aggregate amount of the Credit Facility may be increased by an additional $100,000 under certain conditions set forth in the agreement. The Credit Facility, as amended, contains covenants that restrict the ability of the Company to engage in mergers, consolidations, asset sales, investments, transactions with affiliates, or to incur liens, as defined in the agreement. In the event of a default under the Credit Facility, the Company would also be restricted from paying dividends on, or repurchasing, its common stock without the approval of the lenders. None of the covenants of the Credit Facility negatively affect the Company s liquidity or capital resources. Both the interest rate and commitment fee prices may increase if the Company s leverage ratio reaches certain levels. Upon the occurrence of certain financial or economic events, significant corporate events, or certain other events of default constituting an event of default under the Credit Facility, all loans outstanding may be declared immediately due and payable and all commitments under the Credit Facility may be terminated. As of June 30, 2011, the Company s ability to borrow from the Credit Facility is not limited by any covenant of the agreement.

The Company made principal payments of $55,000 during the six months ended June 30, 2011. As of June 30, 2011, the outstanding balance of the Credit Facility was $40,000 and is included in Long-term debt on the accompanying Consolidated Balance Sheet. The Company was in compliance with all covenants of the Credit Facility at June 30, 2011.

The Company considers the book value of long-term debt related to the borrowings through the Credit Facility to be representative of its fair value.

The Company s Canadian subsidiary has a credit facility agreement (the Canadian Credit Facility) for the purpose of facilitating the settlement of mutual fund transactions. The Canadian Credit Facility has no stated expiration date. The amount of the facility is generally limited to $2,000 Canadian dollars or the equivalent amount in U.S. dollars. The Canadian Credit Facility does not contain any covenants which restrict the liquidity or capital resources of the Company. The Company had no borrowings under the Canadian Credit Facility and was in compliance with all covenants during the three months ended June 30, 2011.

Note 8. Shareholders Equity

Stock-Based Compensation

The Company currently has one active equity compensation plan, the 2007 Equity Compensation Plan (the 2007 Plan), which provides for the grant of incentive stock options, non-qualified stock options and stock appreciation rights with respect to up to 20 million shares of common stock of the Company, subject to adjustment for stock splits, reclassifications, mergers and other events. Permitted grantees under the 2007 Plan include employees, non-employee directors and consultants who perform services for the Company. The plan is administered by the Compensation Committee of the Board of Directors of the Company. The Company has only granted non-qualified stock options under the plan. All outstanding stock options have performance-based vesting provisions specific to each option grant that tie the vesting of the applicable stock options to the Company s financial performance. The Company s stock options vest at a rate of 50 percent when specified diluted earnings per share targets are achieved, and the remaining 50 percent when secondary, higher specified diluted earnings per share targets are achieved. The amount of stock-based compensation expense is based upon management s estimate of when the earnings per share targets may be achieved.

The Company discontinued any further grants under the Company s 1998 Equity Compensation Plan (the 1998 Plan) as a result of the approval of the 2007 Plan. No options are available for grant from this plan. Grants made from the 1998 Plan continue in effect under the terms of the grant.

The Company recognized stock-based compensation expense in its Consolidated Financial Statements in the three months ended June 30, 2011 and 2010, respectively, as follows:

	Three Months Ended June 30,	
	2011	2010
Stock-based compensation expense	3,810	$ 6,278
Less: Deferred tax benefit	(1,427)	(2,367)
Stock-based compensation expense, net of tax	$ 2,383	$ 3,911

The Company recognized stock-based compensation expense in its Consolidated Financial Statements in the six months ended June 30, 2011 and 2010, respectively, as follows:

	Six Months Ended June 30,	
	2011	2010
Stock-based compensation expense	$ 7,542	$ 12,935
Less: Deferred tax benefit	(2,825)	(4,880)
Stock-based compensation expense, net of tax	$ 4,717	$ 8,055

As of June 30, 2011, there was approximately $44,986 of unrecognized compensation cost remaining, adjusted for estimated forfeitures, related to unvested employee stock options that management expects will vest and is being amortized. The Company estimates that compensation cost will be recognized according to the following schedule:

Period	Stock-Based Compensation Expense
Remainder of 2011	$ 7,410
2012	14,456
2013	12,605
2014	5,543
2015	3,279
2016	1,693
	$ 44,986

During the six months ended June 30, 2010, the Company revised its previous estimate made as of December 31, 2009 of when certain vesting targets are expected to be achieved. This change in management s estimate resulted in a decrease of $2,492 in stock-based compensation expense in the six months ended June 30, 2010. There was no change in management s estimate for the achievement of vesting targets during the six months ended June 30, 2011.

The Company issues new common shares associated with the exercise of stock options. The total intrinsic value of options exercised during the six months ended June 30, 2011 and 2010 was $8,205 and $4,921, respectively. The total options exercisable as of June 30, 2011 had an intrinsic value of $63,155. The total intrinsic value for options exercisable is calculated as the difference between the market value of the Company s common stock as of June 30, 2011 and the exercise price of the shares. The market value of the Company s common stock as of June 30, 2011 was $22.51 as reported by the Nasdaq Stock Market, LLC. The weighted average exercise price of the options exercisable as of June 30, 2011 was $17.66. Total options that were outstanding as of June 30, 2011 was 26,349,000.

<u>Common Stock Buyback</u>

The Company s Board of Directors has authorized the repurchase of the Company s common stock on the open market or through private transactions. The Company purchased 4,215,000 shares at a total cost of $95,144 during the six months ended June 30, 2011. As of June 30, 2011, the Company has $112,298 of authorization remaining for the purchase of our common stock under the program.

The Company immediately retires its common stock when purchased. Upon retirement, the Company reduces Capital in excess of par value for the average capital per share outstanding and the remainder is charged against Retained earnings. If the Company reduces its Retained earnings to zero, any subsequent purchases of common stock will be charged entirely to Capital in excess of par value.

Cash Dividend

On May 25, 2011, the Board of Directors declared a cash dividend of $.12 per share on the Company s common stock, which was paid on June 28, 2011, to shareholders of record on June 20, 2011. Cash dividends declared during the six months ended June 30, 2011 and 2010 were $22,041 and $18,890, respectively.

Noncontrolling Interest

The following table provides a reconciliation of Noncontrolling interest on the Consolidated Balance Sheet for the period from January 1, 2011 to June 30, 2011:

	Noncontrolling interest
Balance, January 1, 2011	$ 15,155
Net income attributable to noncontrolling interest	822
Foreign currency translation adjustments	925
Balance, June 30, 2011	$ 16,902

The following table provides a reconciliation of Noncontrolling interest on the Consolidated Balance Sheet for the period from January 1, 2010 to June 30, 2010:

	Noncontrolling interest
Balance, January 1, 2010	$ 121,895
Net income attributable to noncontrolling interest	799
Foreign currency translation adjustments	(794)
Deconsolidation of LSV	(65,522)
Deconsolidation of LSV Employee Group	(43,536)
Balance, June 30, 2010	$ 12,842

Note 9. Accumulated Comprehensive Income (Loss)

Accumulated other comprehensive income (loss), net of tax, consists of:

	Foreign Currency Translation Adjustments	Unrealized Holding Gains (Losses) on Investments	Accumulated Other Comprehensive Income (Loss)
Total accumulated comprehensive income at December 31, 2010	$ 1,152	$ 1,339	$ 2,491
Less: Total accumulated comprehensive loss attributable to noncontrolling interest at December 31, 2010	666	0	666
Total accumulated comprehensive income attributable to SEI Investments Company at December 31, 2010	$ 1,818	$ 1,339	$ 3,157

Total comprehensive income for the six months ended June 30, 2011	$ 4,295	$ 515	$ 4,810
Less: Total comprehensive income attributable to noncontrolling interest for the six months ended June 30, 2011	(925)	0	(925)
Total comprehensive income attributable to SEI Investments Company for the six months ended June 30, 2011	$ 3,370	$ 515	$ 3,885
Total accumulated comprehensive income at June 30, 2011	$ 5,447	$ 1,854	$ 7,301
Less: Total accumulated comprehensive income attributable to noncontrolling interest at June 30, 2011	(259)	0	(259)
Total accumulated comprehensive income attributable to SEI Investments Company at June 30, 2011	$ 5,188	$ 1,854	$ 7,042

Note 10. Business Segment Information

The Company s reportable business segments are:

Private Banks provides investment processing and investment management programs to banks and trust institutions worldwide, independent wealth advisers located in the United Kingdom, and financial advisors in Canada;

Investment Advisors provides investment management programs to affluent investors through a network of independent registered investment advisors, financial planners, and other investment professionals in the United States;

Institutional Investors provides investment management programs and administrative outsourcing solutions to retirement plan sponsors, hospitals, and not-for-profit organizations worldwide;

Investment Managers provides investment processing, fund processing, and operational outsourcing solutions to investment managers, fund companies and banking institutions located in the United States, and to investment managers worldwide of alternative asset classes such as hedge funds, funds of hedge funds, and private equity funds across both registered and partnership structures; and

Investments in New Businesses provides investment management programs to ultra-high-net-worth families residing in the United States through the SEI Wealth Network®.

The information in the following tables is derived from the Company s internal financial reporting used for corporate management purposes. There are no inter-segment revenues for the three and six months ended June 30, 2011 and 2010. Management evaluates Company assets on a consolidated basis during interim periods. The accounting policies of the reportable business segments are the same as those described in Note 1 to the Consolidated Financial Statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2010.

The following tables highlight certain unaudited financial information about each of the Company s business segments for the three months ended June 30, 2011 and 2010.

	Private Banks	Investment Advisors	Institutional Investors	Investment Managers	Investments In New Businesses	Total
	For the Three Months Ended June 30, 2011					
Revenues	$ 87,873	$ 49,768	$ 54,731	$ 44,452	$ 936	$ 237,760
Expenses	86,274	27,734	27,406	29,282	2,920	173,616
Operating profit (loss)	$ 1,599	$ 22,034	$ 27,325	$ 15,170	$ (1,984)	$ 64,144
Operating margin	2%	44%	50%	34%	N/A	27%

	Private Banks	Investment Advisors	Institutional Investors	Investment Managers	Investments In New Businesses	Total
	For the Three Months Ended June 30, 2010					
Revenues	$ 90,091	$ 46,398	$ 51,446	$ 39,440	$ 1,013	$ 228,388
Expenses	78,612	28,120	26,576	25,596	2,739	161,643
Operating profit (loss)	$ 11,479	$ 18,278	$ 24,870	$ 13,844	$ (1,726)	$ 66,745
Operating margin	13%	39%	48%	35%	N/A	29%

A reconciliation of the total operating profit reported for the business segments to income from operations in the Consolidated Statements of Operations for the quarters ended June 30, 2011 and 2010 is as follows:

	2011	2010
Total operating profit from segments above	$ 64,144	$ 66,745
Corporate overhead expenses	(10,720)	(9,941)
Noncontrolling interest reflected in segments	533	368
Income from operations	$ 53,957	$ 57,172

The following tables provide additional information for the three months ended June 30, 2011 and 2010 pertaining to our business segments:

	Capital Expenditures		Depreciation	
	2011	2010	2011	2010
Private Banks	$ 6,783	$ 7,559	$ 3,962	$ 4,044
Investment Advisors	2,296	2,673	556	592
Institutional Investors	251	555	268	291
Investment Managers	89	752	435	473
Investments in New Businesses	92	135	29	36
Total from business segments	$ 9,511	$ 11,674	$ 5,250	$ 5,436
Corporate Overhead	(24)	157	141	148
	$ 9,487	$ 11,831	$ 5,391	$ 5,584

	Amortization 2011	Amortization 2010
Private Banks	$ 4,608	$ 3,765
Investment Advisors	1,551	1,364
Institutional Investors	196	301
Investment Managers	131	206
Investments in New Businesses	65	118
Total from business segments	$ 6,551	$ 5,754
Corporate Overhead	241	243
	$ 6,792	$ 5,997

The following tables highlight certain unaudited financial information about each of the Company s business segments for the six months ended June 30, 2011 and 2010.

	Private Banks	Investment Advisors	Institutional Investors	Investment Managers	Investments In New Businesses	Total
	For the Six Months Ended June 30, 2011					
Revenues	$ 174,582	$ 97,876	$ 107,916	$ 87,893	$ 1,986	$ 470,253
Expenses	168,677	54,774	54,359	57,281	6,045	341,136
Operating profit (loss)	$ 5,905	$ 43,102	$ 53,557			