

COHEN & STEERS INC
Form 10-Q
May 10, 2011
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 MARCH 31, 2011

OR

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: 001-32236

COHEN & STEERS, INC.
(Exact name of Registrant as specified in its charter)

Delaware 14-1904657
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

280 Park Avenue 10017
New York, NY (Zip Code)
(Address of Principal Executive Offices)
(212) 832-3232
(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 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. (Check one):

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 of the Registrant's common stock, par value \$0.01 per share, outstanding as of May 5, 2011 was 43,127,405.

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Items other than those listed above have been omitted because they are not applicable.

Forward-Looking Statements

This report and other documents filed by us contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative versions of these words or other

comparable words. Such forward-looking statements are subject to various risks and uncertainties.

Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to, those described in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2010, which is accessible on the Securities and Exchange Commission's Web site at www.sec.gov and on our Web site at www.cohenandsteers.com. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

PART I—Financial Information

Item 1. Financial Statements

COHEN & STEERS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)
 (in thousands, except share data)

	March 31, 2011	December 31, 2010
ASSETS		
Cash and cash equivalents	\$ 117,683	\$ 136,191
Securities owned	9,627	—
Equity investments	38,127	43,979
Investments, available-for-sale	20,181	16,954
Accounts receivable	41,831	32,821
Income tax receivable	543	—
Property and equipment—net	12,832	13,242
Deferred commissions—net	961	785
Goodwill	21,053	20,334
Intangible assets—net	1,946	1,968
Deferred income tax asset—net	3,415	8,058
Other assets	3,586	3,254
Total assets	\$ 271,785	\$ 277,586
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accrued compensation	\$ 5,870	\$ 20,273
Dividend payable	6,471	—
Income tax payable	2,824	9,077
Deferred rent	2,097	2,209
Other liabilities and accrued expenses	9,906	12,662
Total liabilities	27,168	44,221
Commitments and contingencies		
Redeemable noncontrolling interest	3,804	—
Stockholders' equity:		
Common stock, \$0.01 par value; 500,000,000 shares authorized; 46,100,441 and 45,395,084 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively	461	454
Additional paid-in capital	383,996	378,081
Accumulated deficit	(59,197)	(65,553)
Accumulated other comprehensive income, net of tax	4,464	2,971
Less: Treasury stock, at cost, 2,976,985 and 2,754,696 shares at March 31, 2011 and December 31, 2010, respectively	(88,911)	(82,588)
Total stockholders' equity	240,813	233,365
Total liabilities and stockholders' equity	\$ 271,785	\$ 277,586

See notes to condensed consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
 (in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2011	2010
Revenue:		
Investment advisory and administration fees	\$51,052	\$38,092
Distribution and service fees	2,415	2,164
Portfolio consulting and other	1,288	1,088
Total revenue	54,755	41,344
Expenses:		
Employee compensation and benefits	19,986	16,124
Distribution and service fees	5,754	4,310
General and administrative	8,573	7,137
Depreciation and amortization	1,186	1,154
Amortization, deferred commissions	343	190
Total expenses	35,842	28,915
Operating income	18,913	12,429
Non-operating income:		
Interest and dividend income—net	184	195
(Loss) gain from trading securities—net	(378)) 189
Gain from available-for-sale securities—net	358	198
Equity in (losses) earnings of affiliates	(14)) 541
Other	825	(88)
Total non-operating income	975	1,035
Income before provision for income taxes	19,888	13,464
Provision for income taxes	6,986	4,574
Net income	12,902	8,890
Less: Net loss (income) attributable to redeemable noncontrolling interest	73	