

COHEN & STEERS INC
Form 10-Q
May 06, 2016

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, 2016

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
(Address of Principal Executive Offices) (Zip Code)
(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 website, 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 the 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 3, 2016 was 45,866,291.

COHEN & STEERS, INC. AND SUBSIDIARIES
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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, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect management's 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,” “may,” “should,” “seeks,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative versions of these words or 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 forward-looking statements. We believe that these factors include, but are not limited to, the risks described in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2015 (the Form 10-K), which is accessible on the Securities and Exchange Commission’s website at www.sec.gov and on our website at www.cohenandsteers.com. These factors are not exhaustive and should be read in conjunction with the other cautionary statements that are included in this report, the Form 10-K and our other filings with the Securities and Exchange Commission. 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, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	\$122,914	\$ 142,728
Trading investments (\$423 and \$566) ⁽¹⁾ (\$7,368 and \$6,850) ⁽²⁾	12,778	37,169
Equity method investments	31,914	16,974
Available-for-sale investments	18,144	17,191
Accounts receivable	54,488	44,559
Due from broker (\$414 and \$383) ⁽²⁾	964	6,104
Property and equipment—net	10,070	9,783
Goodwill and intangible assets—net	19,968	19,498
Deferred income tax asset—net	595	5,551
Other assets (\$36 and \$53) ⁽²⁾	6,445	5,765
Total assets	\$278,280	\$ 305,322
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accrued compensation	\$6,941	\$ 30,503
Distribution and service fees payable	5,793	6,192
Income tax payable	12,981	6,780
Due to broker (\$49 and \$12) ⁽²⁾	49	4,369
Deferred rent	6,410	6,368
Other liabilities and accrued expenses (\$83 and \$55) ⁽²⁾	7,829	8,000
Total liabilities	40,003	62,212
Commitments and contingencies (See Note 11)		
Redeemable noncontrolling interest	689	11,334
Stockholders' equity:		
Common stock, \$0.01 par value; 500,000,000 shares authorized; 50,352,262 and 49,690,562 shares issued at March 31, 2016 and December 31, 2015, respectively	503	497
Additional paid-in capital	526,017	519,855
Accumulated deficit	(142,266)	(148,096)
Accumulated other comprehensive loss, net of tax	(2,654)	(3,843)
Less: Treasury stock, at cost, 4,508,617 and 4,250,476 shares at March 31, 2016 and December 31, 2015, respectively	(144,012)	(136,637)
Total stockholders' equity	237,588	231,776
Total liabilities and stockholders' equity	\$278,280	\$ 305,322

(1) Pledged as collateral attributable to the consolidated balances of Cohen & Steers Active Commodities Strategy Fund, Inc. as of March 31, 2016 and December 31, 2015, respectively.

(2) Asset and liability amounts in parentheses represent the aggregated balances at March 31, 2016 and December 31, 2015 attributable to Cohen & Steers SICAV Global Listed Infrastructure Fund and Cohen & Steers Co-Investment Partnership, L.P., which were variable interest entities as of March 31, 2016 and December 31, 2015, respectively. 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,	
	2016	2015
Revenue:		
Investment advisory and administration fees	\$73,088	\$77,752
Distribution and service fees	4,233	3,906
Portfolio consulting and other	2,360	2,157
Total revenue	79,681	83,815
Expenses:		
Employee compensation and benefits	28,040	25,983
Distribution and service fees	8,702	9,251
General and administrative	12,735	12,463
Depreciation and amortization	1,897	1,569
Total expenses	51,374	49,266
Operating income	28,307	34,549
Non-operating income:		
Interest and dividend income—net	542	299
Loss from trading investments—net	(207)	(451)
Equity in earnings (losses) of affiliates	427	(1,081)
(Loss) gain from available-for-sale investments—net	(80)	100
Other losses	(89)	(419)
Total non-operating income (loss)	643	(1,552)
Income before provision for income taxes	28,950	32,997
Provision for income taxes	11,083	12,226
Net income	17,867	