

UNITED STATES  
SECURITIES AND  
WASH. D.C.



06004012

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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3/31

**FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/05 AND ENDING 12/31/05  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Inviva Securities Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
9920 Corporate Campus Drive, Suite 1000

OFFICIAL USE ONLY  
FIRM I.D. NO.

Louisville KY 40223  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Edward J. O'Brien, IV CFO/FinOp 502-523-4956  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
BDO Seidman, LLP

330 Madison Avenue New York NY 10017  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**PROCESSED**

**APR 13 2006**

**FOR OFFICIAL USE ONLY**  
THOMSON  
FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Handwritten signature/initials

OATH OR AFFIRMATION

I, Edward J. O'Brien, IV, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Inviva Securities Corporation, as of December 31, 2005, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None

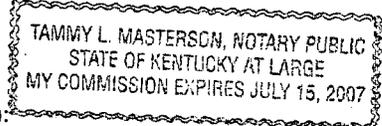
[Handwritten Signature]

Signature

CFO / Fin Op

Title

[Handwritten Signature: Tammy L. Masterson]
Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**Inviva Securities Corporation**  
**(a wholly-owned subsidiary of**  
**Inviva, Inc.)**  
**(SEC I.D. No. 8-51845)**

**Statement of Financial Condition**

December 31, 2005

**Inviva Securities Corporation**  
**(a wholly-owned subsidiary of Inviva, Inc.)**

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BDO Seidman, LLP  
Accountants and Consultants

330 Madison Avenue  
New York, New York 10017  
Telephone: (212) 885-8000  
Fax: (212) 697-1299

## Independent Registered Public Accountant's Report

Board of Directors  
Inviva Securities Corporation

We have audited the accompanying statement of financial condition of Inviva Securities Corporation (the "Company") (a wholly-owned subsidiary of Inviva, Inc.) as of December 31, 2005, that you are filing pursuant of rule 17a-5 under the Securities and Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Inviva Securities Corporation at December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

*BDO Seidman, LLP*

February 23, 2006

**Inviva Securities Corporation**  
**(a wholly-owned subsidiary of Inviva, Inc.)**

**Statement of Financial Condition**

*December 31, 2005*

**Assets**

Cash	\$ 68,954
Goodwill	19,889
Prepaid expenses	4,759
	<b>\$ 93,602</b>

**Liabilities and Stockholder's Equity**

**Liabilities:**

Due to Inviva	\$ 10,000
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**Stockholder's equity:**

Class B common stock (\$.001 par value, 100,000 shares authorized, 2,000 shares issued and 750 shares outstanding)	1
Additional paid-in capital	272,287
Accumulated deficit	(188,686)

<b>Total stockholder's equity</b>	<b>83,602</b>
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**\$ 93,602**

*See accompanying notes to statement of financial condition.*

# Inviva Securities Corporation (a wholly-owned subsidiary of Inviva, Inc.)

## Notes to Statement of Financial Condition

- 1. Nature of Business and Basis of Accounting**

Inviva Securities Corporation (the "Company") is a wholly-owned subsidiary of Inviva, Inc. ("Inviva"). In the fourth quarter of 2002, Inviva acquired Jefferson National Life Insurance Company ("JNL" - formerly Conseco Variable Insurance Company), a writer of fixed and variable annuity contracts. Effective May 1, 2003, the Company became the statutory underwriter for the issuance of variable annuity contracts for JNL. As of this date, the Company entered into two servicing agreements with JNL. The Paymaster Agreement stipulates that JNL will pay all commissions associated with the issuance of variable contracts through the Company and JNL agrees to reimburse the Company for all variable commissions paid. The Distribution Agreement stipulates that the Company agrees to be the distributor of variable contracts for JNL and JNL agrees that it will reimburse the Company for the costs it incurs to distribute these contracts (See Note 2 - Summary of Significant Accounting Policies - Revenue).
  
- 2. Summary of Significant Accounting Policies**

*Cash and Cash Equivalents*

Cash and cash equivalents consist of cash deposited in noninterest bearing accounts.

*Prepaid Expenses*

Prepaid expenses consist primarily of amounts paid in advance to the Company's NASD Central Registration Depository ("CRD") account, which balance is reduced as certain regulatory expenses are incurred, principally the appointment of new representatives.

# **Inviva Securities Corporation** **(a wholly-owned subsidiary of Inviva, Inc.)**

## **Notes to Statement of Financial Condition**

### *Goodwill*

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets". Under SFAS No. 142, intangible assets with indefinite lives are no longer amortized but reviewed for impairment, annually or more frequently if impairment indicators arise. The Company's intangible asset pertains to its ability to process variable product sales. As of December 31, 2005, based on the intrinsic value of the variable product statutory underwriting services that the Company performs for its affiliate, management of the Company determined that its intangible asset was not impaired.

### *Income Taxes*

The Company files a consolidated Federal income tax return with certain affiliates. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

### *Revenue*

The Company provided services to JNL during 2005 (See Note 5 - Related Party Transactions). As noted above, the Company earns service fee revenue directly related to commissions paid by JNL. Additionally, the Company may, from time to time, incur allocated overhead costs from Inviva. These costs are charged to the Company through JNL and are included in the service fees charged to JNL under the Distribution Agreement (See Note 1 - Nature of Business and Basis of Accounting).

The Company's cash accounts are noninterest bearing; therefore, there was no investment income for the year ended December 31, 2005.

# Inviva Securities Corporation (a wholly-owned subsidiary of Inviva, Inc.)

## Notes to Statement of Financial Condition

### *Use of Estimates*

Preparation of the financial statements in conformity with the accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those reported.

### **3. Income Taxes**

The Company's Federal income tax return is consolidated with Inviva, Inc., Jefferson National Financial Holdings, Inviva Insurance Agency, Jefferson National Financial and Lifco Holding Company. The method of allocation among the companies is based upon separate return calculations with current credit for losses.

The Company did not have any current Federal or deferred Federal income tax (benefits) expense for the year ended December 31, 2005.

The components of gross deferred tax assets and liabilities and the related valuation allowance as of December 31, 2005 are as follows:

Deferred tax assets:	
Regular tax operating loss carryforwards	\$ 189,364
Deferred tax liabilities:	
Goodwill	(1,384)
Other	(1,024)
Net deferred tax asset	186,956
Valuation allowance for deferred tax asset	(186,956)
Deferred tax assets, net of allowance	\$ -

# Inviva Securities Corporation (a wholly-owned subsidiary of Inviva, Inc.)

## Notes to Statement of Financial Condition

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes. A valuation allowance is recorded to reduce any portion of the deferred tax asset that is expected to more likely than not be realized. Adjustments to the valuation allowance will be made if there is a change in management's assessment of the amount of the deferred tax asset that is realizable. The Company has recorded a full valuation allowance against the full value of its net deferred tax asset at December 31, 2005.

At December 31, 2005, the Company had tax net operating losses of \$541,040 that begin to expire in 2020. The use of approximately \$328,000 of these losses will be limited pursuant to Section 382 of the Internal Revenue Code. The Company did not have any capital loss carry forwards at December 31, 2005.

**4. Commitments,  
Contingencies and  
Concentrations of  
Credit Risk**

At December 31, 2005, management is not aware of any contingent liabilities and the Company has no future commitments.

The Company maintains cash balances at one financial institution in Louisville, Kentucky. The Federal Deposit Insurance Corporation ("FDIC") insures the balances up to \$100,000. It is unlikely the Company will have balances in excess of FDIC limits.

**5. Related Party  
Transactions**

Inviva provides administrative services to the Company and the Company provides broker-dealer services to JNL. For the year ended December 31, 2005, all services and expenses were reimbursed to the Company by JNL (See Note 1 – Nature of Business and Basis of Accounting).

At December 31, 2005, \$10,000 was due to Inviva for general expenses.

**Inviva Securities Corporation**  
**(a wholly-owned subsidiary of Inviva, Inc.)**

**Notes to Statement of Financial Condition**

**6. Net Capital Requirements**

SEC Rule 15c3-1 sets the minimum net capital requirement of a limited purpose broker-dealer that does not receive funds or securities at \$5,000. At December 31, 2005, the Company had net capital of \$58,954, which was \$53,954 in excess of required net capital of \$5,000.

On October 31, 2005, the Board of Directors of Inviva, the Company's parent, elected to make a capital contribution of \$25,000.

Inviva will provide the necessary capital to ensure the Company continues to meet its net capital requirements.

The Company's ratio of aggregate indebtedness to regulatory net capital was 0.17:1 at December 31, 2005.