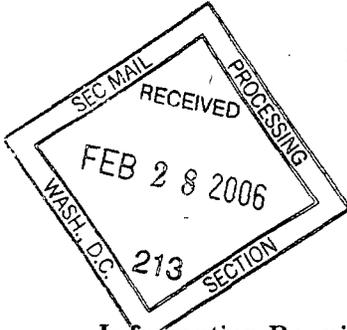


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SECURITIES

OMB APPROVAL
OMB Number: 3235-0123
Expires: January 31, 2007
Estimated average burden hours per response... 12.00

JM
3/14

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

SEC FILE NUMBER
8-22712

**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 1/1/2005 AND ENDING 12/31/2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Marquette Investment Services, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

60 South Sixth Street, Suite 3800

(No. and Street)

Minneapolis

MN

55402

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Sharon L. Roeske

952-906-2889

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche LLP

(Name - if individual, state last, first, middle name)

400 One Financial Plaza, 120 South Sixth Street

Minneapolis, MN

55402

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

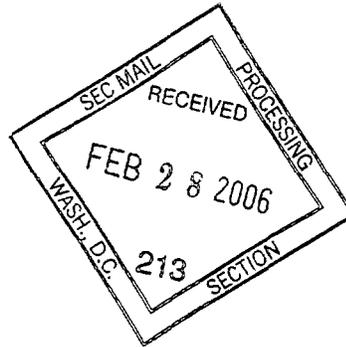
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED
APR 28 2006
THOMSON FINANCIAL

FOR OFFICIAL USE ONLY

*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)

KA
4/28/06



***Marquette Investment
Services, Inc.***
(SEC I.D. No. 8-22712)

*Financial Statements as of and for the Year Ended
December 31, 2005, Supplemental Schedule as of
December 31, 2005, Independent Auditors' Report, and
Supplemental Report on Internal Control*

*Filed Pursuant to Rule 17a-5(e)(3) Under the Securities
Exchange Act of 1934 as a Public Document*

MARQUETTE INVESTMENT SERVICES, INC.

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

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(x) (e) Statement of Changes in Shareholder's Equity.	5
() (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors. (not applicable)	
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() (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (not applicable).	
() (i) Information relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (not applicable).	
() (j) A Reconciliation, including appropriate explanations, of the Computation of Net Capital under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements of Rule 15c3-3 (not applicable).	
() (k) A Reconciliation between the audited and unaudited Consolidated Statement of Financial Condition with respect to methods of consolidation. (not applicable)	
(x) (l) An Affirmation.	
() (m) Copy of the SIPC Supplemental Report (not required).	
(x) (n) A Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control).	9-10
() (o) Schedule of Segregation Requirements and Funds in Segregation for Customers Trading on U.S. Commodity Exchanges Pursuant to Section 4d(2) under the Commodity Exchange Act. (not required).	
() (p) Schedule of Secured Amounts and Funds Held in Separate Accounts for Foreign Futures and Foreign Options Customers Pursuant to Regulation 30.7 under the Commodity Exchange Act. (not required).	
() (q) Schedule of Segregation Requirements and Funds in Segregation for Commodity Dealer options Accounts Pursuant to Regulation 32.6 of the Commodity Futures Trading Commission. (not required)	

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

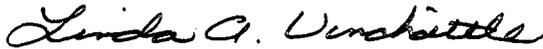
AFFIRMATION

I, Kathi Rogers, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedule pertaining to Marquette Investment Services, Inc. for the year ended December 31, 2005, are true and correct. I further swear (or affirm) that, to the best of my knowledge and belief, neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.



Kathi Rogers
Vice-President Finance

Subscribed to before me this 22nd day of February 2006.



Notary Public



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Marquette Investment Services, Inc.
Minneapolis, Minnesota

We have audited the accompanying statement of financial condition of Marquette Investment Services, Inc. (the "Company") as of December 31, 2005, and the related statements of operations, cash flows, and changes in shareholder's equity for the year ended December 31, 2005, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are 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 financial statements are 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 financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2005, and the results of its operations and its cash flows for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule (g) listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. This schedule is the responsibility of the Company's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.



February 10, 2006

MARQUETTE INVESTMENT SERVICES, INC.

STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2005

ASSETS

CASH	\$ 31,950
TOTAL	<u>\$ 31,950</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 1,906
SHAREHOLDER'S EQUITY:	
Common stock, \$0.01 par value—1,000,000 shares authorized; 100 shares issued and outstanding	1
Additional paid-in capital	101,663
Retained deficit	<u>(71,620)</u>
	<u>30,044</u>
TOTAL	<u>\$ 31,950</u>

See notes to financial statements.

MARQUETTE INVESTMENT SERVICES, INC.

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUES—Other income	<u>\$ 385</u>
OPERATING EXPENSES:	
Professional and service fees	12,382
Other fees	<u>3,303</u>
	<u>15,685</u>
NET LOSS	<u>\$ (15,300)</u>

See notes to financial statements.

MARQUETTE INVESTMENT SERVICES, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$(15,300)
Adjustment to reconcile net loss to net cash used in operating activities—	
Change in liabilities—	
Accounts payable and accrued expenses	<u>1,594</u>
Net cash used in operating activities	<u>(13,706)</u>
DECREASE IN CASH	(13,706)
CASH—Beginning of year	<u>45,656</u>
CASH—End of year	<u>\$ 31,950</u>

See notes to financial statements.

MARQUETTE INVESTMENT SERVICES, INC.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED DECEMBER 31, 2005

	Common Stock	Additional Paid-in Capital	Retained Deficit	Total Shareholder's Equity
BALANCE—December 31, 2004	\$ 1	\$ 101,663	\$(56,320)	\$ 45,344
Net loss	_____	_____	<u>(15,300)</u>	<u>(15,300)</u>
BALANCE—December 31, 2005	<u>\$ 1</u>	<u>\$ 101,663</u>	<u>\$(71,620)</u>	<u>\$ 30,044</u>

See notes to financial statements.

MARQUETTE INVESTMENT SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

1. OWNERSHIP AND NATURE OF BUSINESS

Marquette Investment Services, Inc. (the "Company") is registered as a broker/dealer with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. The Company's primary activities include providing customers with investment advice with respect to securities. The Company is a wholly owned subsidiary of Marquette Financial Companies (the "Parent").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes—The Company has elected S corporation status under the applicable sections of the Internal Revenue Code and Minnesota Income Tax Act, whereby the taxable income and any available tax credits of the Company will be included in the income tax returns of its shareholder.

As part of the Company's election of S corporation status, the Company may be liable for the payment of built-in gains tax on any appreciated property sold within 10 years of the effective date of the S corporation election.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

3. RELATED PARTY

Expenses, including occupancy, data processing, and other administrative costs are paid by the Parent and are charged to the Company. Amounts charged to the Company in 2005 were \$2,052, which is presented in other fees on the statement of operations.

The results of operations of the Company are not necessarily indicative of the results that might occur if the Company was operating independently.

4. REGULATORY REQUIREMENTS

Marquette Investment Services, Inc. is subject to the Commission's Uniform Net Capital Rule ("Rule 15c3-1"), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined under such provisions, shall not exceed 15 to 1. In addition, the Company may be prohibited from expanding its business or paying cash dividends if its ratio of aggregate indebtedness to net capital is greater than 10 to 1. The Company has at all times maintained its net capital above SEC required levels. At December 31, 2005, the Company's net capital of \$30,044 was \$25,044 in excess of its required net capital of \$5,000. The Company's ratio of aggregated indebtedness to net capital was .06 to 1.0 at December 31, 2005.

The Company does not carry any customer accounts and is exempt from Securities and Exchange Commission Rule 15c3-3 under paragraph k(2)(i).

* * * * *

SUPPLEMENTAL SCHEDULE

MARQUETTE INVESTMENT SERVICES, INC.

COMPUTATION OF NET CAPITAL FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934 AS OF DECEMBER 31, 2005

NET CAPITAL—	
Total shareholder's equity	<u>\$ 30,044</u>
Net capital before haircuts	30,044
Haircuts on securities	<u> </u>
Net capital	<u>\$ 30,044</u>
AGGREGATED INDEBTEDNESS—	
Accounts payable and accrued expenses	<u>\$ 1,906</u>
Aggregated indebtedness	<u>\$ 1,906</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregated indebtedness)	<u>\$ 5,000</u>
Excess net capital	<u>\$ 25,044</u>
Ratio of aggregated indebtedness to net capital	<u>0.06</u>

Note: There are no differences between these computations and those filed by the Company on Securities and Exchange Commission unaudited Form X-17A-5 as of December 31, 2005.

February 10, 2006

Marquette Investment Services, Inc.
60 South Sixth Street
Minneapolis, Minnesota

In planning and performing our audit of the financial statements of Marquette Investment Services, Inc. (the "Company") for the year ended December 31, 2005 (on which we issued our report dated February 10, 2006), we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing an opinion on the consolidated financial statements and not to provide assurance on the Company's internal control.

Also, as required by Rule 17a-5(g)(1) under the Securities Exchange Act of 1934, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control and of the practices and procedures, and to assess whether those practices and procedures can be expected to achieve the Securities and Exchange Commission's (the "Commission") above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized acquisition, use, or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control or the practices and procedures referred to above, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control or of such practices and procedures to future periods are subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with the practices or procedures may deteriorate.

Our consideration of the Company's internal control would not necessarily disclose all matters in the Company's internal control that might be material weaknesses under standards established by the

American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the Company's internal control and its operation (including control activities for safeguarding securities) that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2005, to meet the Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

Deloitte + Touche LLP