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ANNUAL AUDITED REPORT
FORM X-17A-5

PART III

FEB 28 2007

FACING PAGE

SEC FILE NUMBER
8-42468

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 01-01-06 AND ENDING 12-31-06
MM/DD/YY MM DD YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: MANNING & NAPIER INVESTOR SERVICES, INC.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

290 Woodcliff Drive

(No. and Street)

Fairport

NY

14450

(City)

(State)

(Zip Code)

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

Beth Galusha

585-325-6880

(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)

2200 Chase Square

Rochester

NY

14604

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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FINANCIAL

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*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)

MANNING & NAPIER INVESTOR SERVICES, INC.

STATEMENTS OF FINANCIAL CONDITION AS OF DECEMBER 31, 2006 AND 2005

	2006	2005
ASSETS		
CASH	\$ 164,939	\$ 97,896
ACCOUNTS RECEIVABLE—Affiliate	-	1,605
PREPAID ASSETS	<u>57,993</u>	<u>54,528</u>
TOTAL	<u>\$ 222,932</u>	<u>\$ 154,029</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable	\$ 182	\$ 10
Accrued expenses	28,261	32,590
Stock purchase note payable	<u>696</u>	<u>-</u>
Total liabilities other than shares	<u>29,139</u>	<u>32,600</u>
SHARES SUBJECT TO MANDATORY REDEMPTION	<u>51,884</u>	<u>25,594</u>
SHAREHOLDERS' EQUITY:		
Common stock, \$0.01 par value—authorized, 4,775,950 shares; issued and outstanding, 2,454,428 shares as of December 31, 2006 and 2005	24,544	24,544
Additional paid-in capital	251,136	251,136
Treasury stock, 220,330 and 148,200 shares—at cost, as of December 31, 2006 and 2005, respectively	(537)	(10)
Excess of common stock and accumulated deficit attributable to shares subject to mandatory redemption and over redemption amount (Note 6)	48,321	25,182
Accumulated deficit	(179,195)	(201,143)
Stock subscriptions receivable	<u>(2,360)</u>	<u>(3,874)</u>
Total shareholders' equity	<u>141,909</u>	<u>95,835</u>
TOTAL	<u>\$ 222,932</u>	<u>\$ 154,029</u>

See notes to financial statements.