HUBBELL INC
Form 4
November 09, 2015

# FORM 4

OMB APPROVAL

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SWIFT RICHARD J

(Last) (First) (Middle)

C/O HUBBELL INCORPORATED, 40 WATERVIEW DRIVE

(Street)

SHELTON, CT 06484

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
HUBBELL INC [HUBA, HUBB]

3. Date of Earliest Transaction (Month/Day/Year)
11/05/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Class B Common ($.01 Par) | 11/05/2015 | | S | | 1,000 | D | $ 96.7301 | 9,243 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
**(*e.g.*, puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| SWIFT RICHARD J<br>C/O HUBBELL INCORPORATED<br>40 WATERVIEW DRIVE<br>SHELTON, CT 06484 | X | | | |

# Signatures

| | |
|---|---|
| Megan C. Preneta, Attorney-in-fact for Richard J. Swift | 11/09/2015 |
| **Signature of Reporting Person | Date |

# Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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/s/ KPMG LLP

Baltimore, Maryland
February 26, 2010

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**Report of Independent Registered Public Accounting Firm    Consolidated Financial Statements**

The Board of Directors and Stockholders

FTI Consulting, Inc.

We have audited the accompanying consolidated balance sheets of FTI Consulting, Inc. and subsidiaries (the Company ) as of December 31, 2009 and 2008, and the related consolidated statements of income, stockholders equity and comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2009. In connection with our audit of the consolidated financial statements, we also have audited financial statement Schedule II, Valuation and Qualifying Accounts. These consolidated financial statements and financial statement schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of FTI Consulting, Inc. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 2, the Company adopted the provisions of Accounting Standards Codification 470-20, *Debt with Conversion and Other Options* ( ASC 470-20 ) (formerly FSP APB 14-1) for convertible debt instruments that have cash settlement features on January 1, 2009. The provisions of ASC 470-20 are retrospective upon adoption, and prior period amounts have been adjusted to apply the new method of accounting.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 26, 2010 expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting.

/s/ KPMG LLP

Baltimore, Maryland
February 26, 2010

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**FTI Consulting, Inc. and Subsidiaries**

**Consolidated Balance Sheets**

(in thousands, except per share data)

| | December 31, 2009 | December 31, 2008 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 118,872 | $ 191,842 |
| Accounts receivable: | | |
| Billed receivables | 241,911 | 237,009 |
| Unbilled receivables | 104,959 | 98,340 |
| Allowance for doubtful accounts and unbilled services | (59,328) | (45,309) |
| Accounts receivable, net | 287,542 | 290,040 |
| Notes receivable | 20,853 | 15,145 |
| Prepaid expenses and other current assets | 52,172 | 34,989 |
| Deferred income taxes | 20,476 | 24,372 |
| Total current assets | 499,915 | 556,388 |
| Property and equipment, net of accumulated depreciation | 80,678 | 78,575 |
| Goodwill | 1,195,949 | 1,143,461 |
| Other intangible assets, net of amortization | 175,962 | 189,304 |
| Notes receivable, net of current portion | 69,213 | 56,500 |
| Other assets | 55,621 | 59,349 |
| **Total assets** | $ 2,077,338 | $ 2,083,577 |
| **Liabilities and Stockholders Equity** | | |
| **Current liabilities** | | |
| Accounts payable, accrued expenses and other | $ 81,193 | $ 108,905 |
| Accrued compensation | 152,807 | 135,922 |
| Current portion of long-term debt and capital lease obligations | 138,101 | 132,915 |
| Billings in excess of services provided | 34,101 | 30,872 |
| Total current liabilities | 406,202 | 408,614 |
| Long-term debt and capital lease obligations, net of current portion | 417,397 | 418,592 |
| Deferred income taxes | 95,704 | 83,777 |
| Other liabilities | 53,821 | 45,037 |
| **Total liabilities** | 973,124 | 956,020 |
| Commitments and contingent liabilities (notes 8, 14 and 15) | | |
| **Stockholders equity** | | |
| Preferred stock, $0.01 par value; shares authorized 5,000; none outstanding | | |
| Common stock, $0.01 par value; shares authorized 75,000; shares issued and outstanding 46,985 (2009) and 50,903 (2008) | 470 | 509 |
| Additional paid-in capital | 535,754 | 733,520 |
| Retained earnings | 615,529 | 472,503 |
| Accumulated other comprehensive loss | (47,539) | (78,975) |
| **Total stockholders equity** | 1,104,214 | 1,127,557 |

| | | |
|---|---|---|
| **Total liabilities and stockholders equity** | $ 2,077,338 | $ 2,083,577 |

See accompanying notes to the consolidated financial statements

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**FTI Consulting, Inc. and Subsidiaries**

**Consolidated Statements of Income**

(in thousands, except per share data)

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2009** | **2008** | **2007** |
| **Revenues** | $ 1,399,946 | $ 1,293,145 | $ 1,001,270 |
| **Operating expenses** | | | |
| Direct cost of revenues | 767,387 | 708,783 | 552,347 |
| Selling, general and administrative expense | 344,318 | 330,191 | 255,876 |
| Amortization of other intangible assets | 24,701 | 18,824 | 10,615 |
| | 1,136,406 | 1,057,798 | 818,838 |
| **Operating income** | 263,540 | 235,347 | 182,432 |
| **Other income (expense)** | | | |
| Interest income and other | 8,158 | 8,840 | 8,091 |
| Interest expense | (44,923) | (45,105) | (47,639) |
| Litigation settlement gains (losses), net | 250 | (661) | (1,002) |
| | (36,515) | (36,926) | (40,550) |
| **Income before income tax provision** | 227,025 | 198,421 | 141,882 |
| **Income tax provision** | 83,999 | 77,515 | 55,548 |
| **Net income** | $ 143,026 | $ 120,906 | $ 86,334 |
| **Earnings per common share basic** | $ 2.86 | $ 2.46 | $ 2.01 |
| **Earnings per common share diluted** | $ 2.70 | $ 2.26 | $ 1.88 |

See accompanying notes to the consolidated financial statements

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**FTI Consulting, Inc. and Subsidiaries**

**Consolidated Statements of Stockholders Equity and Comprehensive Income**

(in thousands)

| | Common Stock | | Additional | | Accumulated Other | |
|---|---|---|---|---|---|---|
| | **Shares** | **Amount** | **Paid-in Capital** | **Retained Earnings** | **Comprehensive (Loss) Income** | **Total** |
| **Balance December 31, 2006, as previously reported** | 41,890 | $ 419 | $ 294,350 | $ 268,937 | $ 1,394 | $ 565,100 |
| Adjustment to initially apply new accounting principle for convertible debt instruments | | | 18,069 | (2,909) | | 15,160 |
| Adjustment for immaterial error correction | (61) | (1) | (2,367) | (765) | (27) | (3,160) |
| **Balance December 31, 2006, as adjusted** | 41,829 | 418 | 310,052 | 265,263 | 1,367 | 577,100 |
| Comprehensive income: | | | | | | |
| Cumulative translation adjustment, net of income taxes of $4,156 | | | | | 7,537 | 7,537 |
| Unrealized gains on cash equivalents, net of taxes of $30 | | | | | (55) | (55) |
| Net income | | | | 86,334 | | 86,334 |
| Total comprehensive income | | | | | | 93,816 |
| Issuance of common stock in connection with: | | | | | | |
| Exercise of options, including income tax benefit of $18,737 | 1,785 | 19 | 55,824 | | | 55,843 |
| Employee stock purchase plan | 424 | 4 | 9,949 | | | 9,953 |
| Restricted share grants, less net settled shares of 25 | 292 | 3 | (1,206) | | | (1,203) |
| Other | 21 | | 467 | | | 467 |
| Public stock offering | 4,830 | 48 | 231,360 | | | 231,408 |
| Business combinations | 237 | 2 | 7,740 | | | 7,742 |
| Purchase and retirement of common stock | (500) | (5) | (18,113) | | | (18,118) |
| Share-based compensation | | | 21,266 | | | 21,266 |
| **Balance December 31, 2007** | 48,918 | $ 489 | $ 617,339 | $ 351,597 | $ 8,849 | $ 978,274 |
| Comprehensive income: | | | | | | |
| Cumulative translation adjustment, net of income taxes of $4,957 | | | | | (87,879) | (87,879) |
| Unrealized gains on cash equivalents, net of taxes of $30 | | | | | 55 | 55 |
| Net income | | | | 120,906 | | 120,906 |
| Total comprehensive income | | | | | | 33,082 |
| Issuance of common stock in connection with: | | | | | | |
| Exercise of options, including income tax benefit of $11,048 | 548 | 6 | 23,193 | | | 23,199 |
| Employee stock purchase plan | 302 | 3 | 13,338 | | | 13,341 |
| Restricted share grants, less net settled shares of 86 | 233 | 2 | (4,933) | | | (4,931) |
| Stock units issued under incentive compensation plan | | | 3,496 | | | 3,496 |
| Business combinations | 902 | 9 | 54,922 | | | 54,931 |
| Reacquisition of equity component of convertible debt | | | (47) | | | (47) |
| Share-based compensation | | | 26,212 | | | 26,212 |
| **Balance December 31, 2008** | 50,903 | $ 509 | $ 733,520 | $ 472,503 | $ (78,975) | $ 1,127,557 |
| Comprehensive income: | | | | | | |
| Cumulative translation adjustment, net of income taxes of $1,483 | | | | | 31,436 | 31,436 |
| Net income | | | | 143,026 | | 143,026 |
| Total comprehensive income | | | | | | 174,462 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Issuance of common stock in connection with: | | | | | | |
| Exercise of options, including income tax benefit from share-based awards of $5,307 | 564 | 6 | 19,136 | | | 19,142 |
| Employee stock purchase plan | 138 | 1 | 5,236 | | | 5,237 |
| Restricted share grants, less net settled shares of 71 | 216 | 3 | (3,376) | | | (3,373) |
| Stock units issued under incentive compensation plan | | | 5,308 | | | 5,308 |
| Business combinations | 39 | | 1,344 | | | 1,344 |
| Reacquisiton of equity component of convertible debt | | | (3) | | | (3) |
| Purchase and retirement of common stock | (4,875) | (49) | (249,951) | | | (250,000) |
| Share-based compensation | | | 24,540 | | | 24,540 |
| **Balance December 31, 2009** | 46,985 | $ 470 | $ 535,754 | $ 615,529 | $ (47,539) | $ 1,104,214 |

See accompanying notes to the consolidated financial statements

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**FTI Consulting, Inc. and Subsidiaries**

**Consolidated Statements of Cash Flow**

(in thousands)

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2009** | **2008** | **2007** |
| **Operating activities** | | | |
| Net income | $ 143,026 | $ 120,906 | $ 86,334 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 28,765 | 26,037 | 19,351 |
| Amortization of other intangible assets | 24,702 | 18,824 | 10,615 |
| Provision for doubtful accounts | 19,866 | 22,474 | 11,777 |
| Non-cash share-based compensation | 25,631 | 26,381 | 22,703 |
| Excess tax benefits from share-based compensation | (5,193) | (10,820) | (17,986) |
| Non-cash interest expense | 7,214 | 7,124 | 6,921 |
| Other | (1,604) | 3,407 | 228 |
| Changes in operating assets and liabilities, net of effects from acquisitions: | | | |
| Accounts receivable, billed and unbilled | (13,314) | (49,251) | (85,565) |
| Notes receivable | (18,364) | (9,377) | (22,037) |
| Prepaid expenses and other assets | 1,334 | (11,577) | (2,110) |
| Accounts payable, accrued expenses and other | (14,179) | (3,382) | 8,814 |
| Income taxes | 29,877 | 12,990 | (2,804) |
| Accrued compensation | 20,090 | 32,836 | 31,895 |
| Billings in excess of services provided | 2,918 | 10,908 | 214 |
| Net cash provided by operating activities | 250,769 | 197,480 | 68,350 |
| **Investing activities** | | | |
| Payments for acquisition of businesses, including contingent payments and acquisition costs, net of cash received | (46,710) | (343,169) | (31,857) |
| Purchases of property and equipment | (28,557) | (35,674) | (36,422) |
| Purchases of short-term investments | (35,717) | | |
| Proceeds from sale of short-term investments | 20,576 | | |
| Other | 520 | 4,703 | 482 |
| Net cash used in investing activities | (89,888) | (374,140) | (67,797) |
| **Financing activities** | | | |
| Borrowings under revolving line of credit | | | 25,000 |
| Payments of revolving line of credit | | | (25,000) |
| Payments of short-term borrowings of acquired subsidiary | | (2,275) | |
| Payments of long-term debt and capital lease obligations | (13,761) | (8,744) | (7,945) |
| Cash received for settlement of interest rate swaps | 2,288 | | |
| Issuance of common stock, net of offering costs | | | 231,408 |
| Purchase and retirement of common stock | (250,000) | | (18,118) |
| Net issuance of common stock under equity compensation plans | 15,699 | 20,562 | 46,322 |
| Excess tax benefit from share-based compensation | 5,193 | 10,820 | 17,986 |
| Other | 303 | (112) | |
| Net cash (used in) provided by financing activities | (240,278) | 20,251 | 269,653 |
| Effect of exchange rate changes and fair value adjustments on cash and cash equivalents | 6,427 | (12,212) | (1,666) |
| Net (decrease) increase in cash and cash equivalents | (72,970) | (168,621) | 268,540 |
| Cash and cash equivalents, beginning of period | 191,842 | 360,463 | 91,923 |

| | | | |
|---|---|---|---|
| Cash and cash equivalents, end of period | $ 118,872 | $ 191,842 | $ 360,463 |
| | | | |
| **Supplemental cash flow disclosures** | | | |
| Cash paid for interest | $ 38,741 | $ 39,013 | $ 40,200 |
| Cash paid for income taxes, net of refunds | 54,122 | 64,945 | 58,352 |
| Non-cash investing and financing activities: | | | |
| Issuance of common stock to acquire businesses | 1,166 | 54,931 | 7,742 |
| Issuance of stock units under incentive compensation plans | 5,308 | 3,496 | 1,057 |
| Issuance of notes payable as contingent consideration | 12,266 | 506 | 8,096 |

See accompanying notes to the consolidated financial statements

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements**

(dollar and share amounts in tables expressed in thousands, except per share data)

## 1. Description of Business and Summary of Significant Accounting Policies

### Description of Business

FTI Consulting, Inc. and subsidiaries, (collectively, we , our or FTI ) is a leading global business advisory firm dedicated to helping organizations protect and enhance their enterprise value in difficult and increasingly complex economic, legal and regulatory environments. Our experienced team of professionals includes many individuals who are widely recognized as experts in their respective fields. We believe clients retain us because of our recognized expertise and capabilities in highly specialized areas, as well as our reputation for satisfying our clients needs. We operate through five business segments: Corporate Finance/Restructuring, Forensic and Litigation Consulting, Economic Consulting, Technology and Strategic Communications.

### Accounting Principles

Our financial statements are prepared in conformity with United States ( U.S. ) generally accepted accounting principles ( GAAP ).

### Subsequent Events

Subsequent events have been evaluated through the date the financial statements were issued.

### Consolidation

The consolidated financial statements reflect the operating results of FTI and its majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

### Foreign Currency

Results of operations for our non-U.S. subsidiaries are translated from the designated functional currency to the reporting currency of the U.S. dollar. Revenues and expenses are translated at average exchange rates for each month while assets and liabilities are translated at balance sheet date exchange rates. Resulting translation adjustments are recorded as a component of stockholders equity in Accumulated other comprehensive (loss) income.

Transaction gains and losses arising from currency exchange rate fluctuations on transactions denominated in a currency other than the local functional currency are included in Interest income and other on our Consolidated Statements of Income. Such transaction gains and losses may be realized or unrealized depending upon whether the transaction settled during the period or remains outstanding at the balance sheet date.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Due to the inherent uncertainty involved in making those assumptions, actual results could differ from those estimates.

We use estimates to determine the amount of the allowance for doubtful accounts necessary to reduce accounts receivable and unbilled receivables to their expected net realizable value and to account for any

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

potential fee reductions that may be imposed by bankruptcy courts. We estimate the amount of the required allowance by reviewing the status of significant client matters and past-due receivables as well as analyzing historical bad debt trends and realization adjustments to our revenues. Actual collection experience has not varied significantly from estimates, due primarily to credit policies, the controls and procedures designed to estimate realization adjustments to our revenues, and a lack of historical concentrations of accounts receivable. Accounts receivable balances are not collateralized.

We also make estimates in determining self-insurance reserves for certain employee benefit plans, accruals for incentive compensation and other ordinary accruals. These estimates are based upon historical trends, current experience and knowledge of relevant factors.

**Revenue Recognition**

Revenue is recognized when persuasive evidence of an arrangement exists, the related services are provided, the price is fixed or determinable and collectability is reasonably assured. We generate the majority of our revenues from providing professional services under four types of billing arrangements: time-and-expense, fixed-fee, performance-based and unit-based.

Time-and-expense billing arrangements require the client to pay based on the number of hours worked by our revenue-generating professionals at contractually agreed-upon rates. We recognize revenues for our professional services rendered under time-and-expense engagements based on the hours incurred at agreed-upon rates as work is performed.

In fixed-fee billing arrangements, we agree to a pre-established fee in exchange for a pre-determined set of professional services. Generally, the client agrees to pay a fixed fee every month over the specified contract term. These contracts are for varying periods and generally permit the client to cancel the contract before the end of the term. We recognize revenues for our professional services rendered under these fixed-fee billing arrangements monthly over the specified contract term.

In performance-based or contingent billing arrangements, fees are tied to the attainment of contractually defined objectives. Often this type of arrangement supplements a time-and-expense or fixed-fee engagement, where payment of a performance-based fee is deferred until the conclusion of the matter or upon the achievement of performance-based criteria. We do not recognize revenues under performance-based billing arrangements until all related performance criteria are met and collection of the fee is reasonably assured.

In our Technology segment, unit-based revenues are based on either the amount of data stored or processed, the number of concurrent users accessing the information, or the number of pages or images processed for a client. We recognize revenues for our professional services rendered under unit-based engagements as the services are provided based on agreed-upon rates. We also generate certain revenue from software licenses and maintenance. We have vendor-specific objective evidence of fair value for support and maintenance separate from software for the majority of our products. Accordingly, when licenses of certain offerings are included in an arrangement with support and maintenance, we recognize the license revenue upon delivery of the license and recognize the support and maintenance revenue over the term of the maintenance service period. Substantially all of our software license agreements do not include any acceptance provisions. If an arrangement allows for customer acceptance of the software, we defer revenue until the earlier of customer acceptance or when the

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

acceptance provisions lapse. Hosting revenues from hosting fees are recognized ratably over the term of the hosting agreement. We have certain arrangements with clients in which we provide multiple elements of services under one engagement contract. Revenues under these types of arrangements are accounted for in accordance ASC 605-25, *Multiple-Element Arrangements*, and recognized pursuant to the criteria described above.

Some clients pay us retainers before we begin any work for them. We hold retainers on deposit until we have completed the work. We generally apply these retainers to final billings and refund any excess over the final amount billed to clients, as appropriate, when we complete our work. If the client is in bankruptcy, fees for our services may be subject to approval by the court. In some cases, a portion of the fees to be paid to us by a client is required by a court to be held until completion of our work and final fee settlements have been negotiated. We make a determination whether to record all or a portion of such holdback as revenue prior to collection on a case-by-case basis.

If at the outset of an arrangement we determine that the arrangement fee is not fixed or determinable, revenue is deferred until all criteria for recognizing revenue are met. Reimbursable expenses, including those relating to travel, out-of pocket expenses, outside consultants and other similar costs, are generally included in revenues, and an equivalent amount of reimbursable expenses is included in costs of services in the period in which the expense is incurred. Any taxes assessed on revenues relating to services provided to our clients are recorded on a net basis. Revenues recognized, but not yet billed to clients, have been recorded as unbilled receivables in the consolidated balance sheets.

**Direct Cost of Revenues**

Direct cost of revenues consists primarily of billable employee compensation and related payroll benefits, the cost of consultants assigned to revenue-generating activities and direct expenses billable to clients. Direct cost of revenues also includes depreciation expense on the equipment of our Technology segment that is used to host and process client information. Direct cost of revenues does not include an allocation of overhead costs.

**Share-Based Compensation**

We recognize share-based compensation using a fair value based recognition method. Share-based compensation cost is estimated at the grant date based on the fair value of the award and is recognized as expense over the requisite service period or performance period of the award. The amount of share-based compensation expense recognized at any date must at least equal the portion of grant date value of the award that is vested at that date.

We use the Black-Scholes pricing model to determine the fair value of stock options on the dates of grant. The Black-Scholes pricing model requires various highly judgmental assumptions including volatility and expected term, which are based on our historical experience. We also make assumptions regarding the risk-free interest rate and the expected dividend yield. The risk-free interest rate is based on U.S. Treasury interest rates whose term is consistent with the expected term of the share-based award. The dividend yield on our common stock is assumed to be zero since we do not pay dividends and have no current plans to do so in the future.

Restricted stock is measured based on the closing price of the underlying stock on the dates of grant. Awards with performance-based vesting conditions require the achievement of specific financial targets at the end of the specified performance period and the employee s continued employment. We recognize the estimated fair value of performance-based awards as share-based compensation expense over the performance period. We

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

consider each performance period separately, based upon our determination of whether it is probable that the performance target will be achieved. At each reporting period, we reassess the probability of achieving the performance targets. If a performance target is not met, no compensation cost is ultimately recognized against that target, and, to the extent previously recognized, compensation expense is reversed. For all our share-based awards, we estimate the expected forfeiture rate and recognize expense only for those shares expected to vest. We estimate the forfeiture rate based on historical experience. Groups of share-based award holders that have similar historical behavior with regard to option exercise timing and forfeiture rates are considered separately for valuation and attribution purposes.

Share-based awards granted to non-employees (primarily consultants) are measured at the estimated fair value on the grant date of the award. The fair value of the awards is then remeasured at each reporting date until the award vests. The stock-based compensation expense related to these grants will fluctuate as the estimated fair value of the common stock fluctuates over the period from the grant date to the vesting date.

**Selling, General, and Administrative Expense**

***Research and Development***

Research and development costs related to software development are expensed as incurred. Development activities involve a plan or design for the production of new or substantially improved products. When we have determined that technological feasibility for our software products is reached, costs related to the project are capitalized until such products are available for general release to customers as discussed in Capitalized Software to be Sold, Leased or Otherwise Marketed below.

***Advertising Costs***

Advertising costs consist of marketing, advertising through print and other media, professional event sponsorship and public relations. These costs are expensed as incurred. Advertising costs totaled $18.1 million, $10.9 million, and $9.7 million during 2009, 2008 and 2007, respectively.

**Income Taxes**

Our income tax provision consists principally of federal, state and international income taxes. We generate income in a significant number of states located throughout the U.S. as well as foreign countries in which we conduct business. Our effective income tax rate may fluctuate due to a change in the mix of earnings between higher and lower state or country tax jurisdictions and the impact of non-deductible expenses. Additionally, we record deferred tax assets and liabilities using the asset and liability method of accounting which requires us to measure these assets and liabilities using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

***Cash Equivalents and Short-Term Investments***

Cash equivalents consist of highly liquid short-term investments, principally money market funds, commercial paper and certificates of deposit with maturities of three months or less at the time of purchase. In addition, we also may invest in short-term investments with maturities greater than three months, consisting primarily of certificates of deposit and treasury bills. Any short-term investments are classified as available-for-sale and carried at fair value, based on quoted market prices or other readily available market information.

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

Unrealized gains and losses, net of taxes, are included in Accumulated other comprehensive (loss) income, which is reflected as a separate component of stockholders equity. Gains on the sale of commercial paper or treasury bills are recognized when realized in our Consolidated Statements of Income. Losses are recognized as realized or when we have determined that an other-than-temporary decline in fair value has occurred. Gains and losses are determined using the specific identification method. Short-term investments at December 31, 2009 consisted of $15.0 million of certificates of deposit carried at cost, which approximates fair value, and included in Prepaid expenses and other current assets on the Consolidated Balance Sheet. There were no short-term investments at December 31, 2008.

**Allowance for Doubtful Accounts and Unbilled Services**

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of clients to pay our fees or for disputes that affect our ability to fully collect our billed accounts receivable, as well as potential fee reductions negotiated by clients or imposed by bankruptcy courts. Even if a bankruptcy court approves our services, it has the discretion to require us to refund all or a portion of our fees due to the outcome of the case or a variety of other factors We estimate the allowance for all receivable risks by reviewing the status of each matter account and recording reserves based on our experience and knowledge of the particular client and historical collection patterns. However, our actual experience may vary significantly from our estimates. If the financial condition of our clients were to deteriorate, resulting in their inability or unwillingness to pay our fees, or bankruptcy courts requires us to refund certain fees, we may need to record additional allowances or write-offs in future periods. This risk is mitigated to the extent that we may receive retainers from some of our clients prior to performing services.

The provision for doubtful accounts is recorded after the related work has been billed to the client and we discover full collectability is not reasonably assured. It is classified in Selling, general and administrative expense on the Consolidated Statements of Income and totaled $19.9 million, $22.5 million, and $11.8 million for the years ended December 31, 2009, 2008 and 2007, respectively. The provision for unbilled services is normally recorded prior to customer billing and is recorded as a reduction to revenues. This provision normally relates to fee adjustments, estimates of fee reductions that may be imposed by bankruptcy courts and other discretionary pricing adjustments.

**Property and Equipment**

We record property and equipment, including improvements that extend useful lives, at cost, while maintenance and repairs are charged to operations as incurred. We calculate depreciation using the straight-line method based on estimated useful lives ranging from three to seven years for furniture, equipment and internal use software. We amortize leasehold improvements over the shorter of the estimated useful life of the asset or the lease term. We capitalize costs incurred during the application development stage of computer software developed or obtained for internal use. Capitalized software developed for internal use is classified within furniture, equipment and software and is amortized over the estimated useful life of the software, which is generally three years.

**Notes Receivable from Employees**

Notes receivable due from employees include unsecured general recourse forgivable loans to attract and retain highly-skilled professionals. Some or all of the principal amount and accrued interest of the loans we make to employees will be forgiven by us upon the passage of time through cliff vesting, provided that the professional

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is an employee on the forgiveness date, and upon other specified events, such as death or disability. Professionals who terminate their employment with us prior to the end of the forgiveness period are required to repay the outstanding, unforgiven loan balance and any accrued but unforgiven interest, except, in most cases, if the termination was by FTI without cause or by the employee with good reason. We amortize forgivable loans to expense on a straight-line basis over their forgiveness periods of one to ten years. We record interest income on the notes and compensation expense, as such interest is forgiven.

**Goodwill and Other Intangible Assets**

Goodwill represents the purchase price of acquired businesses in excess of the fair market value of net assets acquired. Other intangible assets include trade names, customer relationships, contract backlog, non-competition agreements and software.

We test our goodwill and other indefinite-lived intangible assets for impairment annually as of the first day of the fourth quarter or whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Factors we consider important that could trigger an interim impairment review include, but are not limited to, the following:

- significant underperformance relative to expected historical or projected future operating results;
- a significant change in the manner of our use of the acquired asset or the strategy for our overall business;
- a significant negative industry or economic trend; and or
- our market capitalization relative to net book value.

We assess our goodwill for impairment using a fair value approach at the reporting unit level. A reporting unit is an operating segment or a business one level below that operating segment if discrete financial information is available and regularly reviewed by segment management. When available and as appropriate, we use market multiples derived from a set of comparables to establish fair values (a market approach). If a set of comparables are not available, we estimate fair value using discounted cash flows (an income approach).

Intangible assets with definite lives are amortized over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate an asset s carrying value may not be recoverable. We amortize our acquired definite-lived intangible assets on a straight-line basis over periods ranging primarily from 5 to 15 years.

As of December 31, 2009, we concluded that our goodwill and other intangible assets were not impaired.

**Impairment of Long-Lived Assets**

We review long-lived assets such as property and equipment and definite-lived intangible assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans, or changes in anticipated future cash flows. If an impairment indicator is present, we evaluate recoverability of assets to be held and used by a comparison of the carrying value of the assets to future undiscounted net cash flows expected to be generated by the assets. We group assets at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows generated by other asset groups. If

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the total of the expected undiscounted future cash flows is less than the carrying amount of the asset group, we estimate the fair value of the asset group to determine whether an impairment loss should be recognized. An impairment loss will be recognized for the difference between the fair value and carrying value of the asset group. If fair value is determined using discounted cash flows, the discount rate used in any estimate of discounted cash flows would be the rate required for a similar investment of like risk.

**Debt Financing Fees**

We amortize the costs we incur to obtain debt financing over the terms of the underlying obligations on a straight-line basis. The amortization of debt financing costs is included in Interest expense in our Consolidated Statements of Income. Unamortized debt financing costs are classified within Other assets on our Consolidated Balance Sheets.

**Capitalized Software to be Sold, Leased or Otherwise Marketed**

We expense costs for software products that will be sold, leased or otherwise marketed until technological feasibility has been established. Thereafter, all software development costs are capitalized and subsequently reported at the lower of unamortized cost or net realizable value. Capitalized costs are amortized based on current and future revenue for each product with an annual minimum equal to the straight-line amortization over the remaining estimated economic life of the product. We classify software products to be sold, leased or otherwise marketed as noncurrent Other assets on our Consolidated Balance Sheets. Unamortized capitalized software costs were $5.6 million and $2.8 million at December 31, 2009 and 2008, respectively. Amortization of capitalized software costs was $1.0 million, $0.5 million and $0.1 million for the years ended December 31, 2009, 2008 and 2007, respectively.

**Leases**

We lease office space and equipment under non-cancelable operating leases. We also lease certain equipment under capital leases. The leases normally provide for the payment of minimum annual rentals and may include scheduled rent increases. Some leases include provisions for renewal options of up to five years. Some of our leases for office space contain provisions whereby the future rental payments may be adjusted for increases in operating expenses above specified amounts.

We recognize rent expense under operating leases on a straight-line basis over the non-cancelable lease term. For leases with scheduled rent increases this treatment results in a deferred rent liability, which is classified within Other liabilities on the Consolidated Balance Sheets. Lease inducements such as tenant improvement allowances, cash inducements, and rent abatements are amortized on a straight-line basis over the life of the lease. Unamortized lease inducements are also included in deferred rent. Deferred rent at December 31, 2009 and 2008 totaled $37.8 million and $32.6 million, respectively.

**Interest Rate Swaps**

We sometimes use derivative instruments, consisting primarily of interest rate swap agreements, to manage our exposure to changes in the fair values or future cash flows of some of our long-term debt. We may enter into interest rate swap transactions with financial institutions acting as the counter-party. We do not use derivative instruments for trading or other speculative purposes. At December 31, 2009, we were not a party to any derivative instruments.

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(dollar and share amounts in tables expressed in thousands, except per share data)

We formally document all relationships between hedging instruments and hedged items and the risk management objective and strategy for each hedge transaction. For interest rate swaps, the notional amounts, rates and maturities of our interest rate swaps are closely matched to the related terms of hedged debt obligations. We match the critical terms of the interest rate swap to the critical terms of the underlying hedged item to determine whether the derivatives we use for hedging transactions are highly effective in offsetting changes in either the fair value or cash flows of the underlying hedged item. If it is determined that a derivative ceases to be a highly effective hedge, or if the anticipated transaction is no longer likely to occur, we discontinue hedge accounting and recognize all subsequent derivative gains and losses in our income statement.

Derivative instruments designated in hedging relationships that mitigate exposure to changes in the fair value of our fixed-rate debt are considered fair value hedges. Derivative instruments designated in hedging relationships that mitigate exposure to the variability in future cash flows of our variable-rate debt are considered cash flow hedges.

We record all derivative instruments in Other assets or Other liabilities on our Consolidated Balance Sheets at their fair values. If the derivative is designated as a fair value hedge and the hedging relationship qualifies for hedge accounting, changes in the fair values of both the derivative and hedged portion of our debt are recognized in Interest expense in our Consolidated Statements of Income. If the derivative is designated as a cash flow hedge and the hedging relationship qualifies for hedge accounting, the effective portion of the change in the fair value of the derivative is recorded in Other comprehensive (loss) income and reclassified to Interest expense when the hedged debt affects interest expense. The ineffective portion of the change in fair value of the derivative qualifying for hedge accounting and changes in fair value of derivative instruments not qualifying for hedge accounting are recognized in Interest expense in the period of the change.

**Billings in Excess of Services Provided**

Billings in excess of services provided represent amounts billed to clients, such as retainers, in advance of work being performed. Clients may make advance payments, which are held on deposit until completion of work or are applied at predetermined amounts or times. Excess payments are either applied to final billings or refunded to clients upon completion of work. Payments in excess of related accounts receivable and unbilled receivables are recorded as billings in excess of services provided within the liabilities section of our Consolidated Balance Sheets.

**2. Revision to Previously Reported Financial Information**

**Correction of Immaterial Error**

In the third quarter of 2009, we concluded an internal re-examination of our contingent acquisition payments and related accounting treatment. As a result of this review, we discovered an immaterial error which impacted previously reported results for 2008, 2007 and 2006 related to certain contingent acquisition payments made in connection with the purchase of previously acquired businesses. The payments were made upon the achievement of required performance conditions as specified in the related purchase agreements. These purchase agreements allowed for a portion of the contingent payment to be paid to employee benefit trusts ( EBT ) or designated employees who at the time were deemed to be shareholders of the acquired entity. After further analysis, we concluded that neither the EBT nor the designated employees who received contingent payments qualified as original selling shareholders of the acquired businesses. As such, distributions made from the EBT or to these designated employees should have been recorded as compensation expense and not capitalized as part of

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**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

the purchase price of the applicable acquisition. We revised our previously reported financial information in our Form 10-Q filing for the quarterly period ended September 30, 2009 to reflect the impact of the correction of the immaterial error.

We assessed the materiality of these errors in accordance with the Securities and Exchange Commission (SEC) Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements, and determined that the error was immaterial to the previously reported amounts contained in our periodic filings. The impact of the correction of the immaterial error was a decrease to net income and diluted earnings per share of $2.1 million and $0.04 per share, $3.5 million and $0.08 per share; and $0.8 million and $0.02 per share for the years ended December 31, 2008, 2007 and 2006, respectively. The correction of the immaterial error resulted in a decrease in cash flows from operations of $2.4 million and $0.4 million and a corresponding increase in cash flows from investing activities for the years ended December 31, 2008 and 2007, respectively. In addition, we determined that one of the EBT s meets the criteria for consolidation and accordingly, the consolidation of the EBT is reflected in all periods presented.

**Change in Accounting Principle**

On January 1, 2009, we adopted the provisions of Accounting Standards Codification ( ASC ) 470-20, *Debt with Conversion and Other Options* ( ASC 470-20 ) (formerly FSP APB 14-1) for convertible debt instruments that have cash settlement features. ASC 470-20 requires issuers of convertible debt securities within its scope to separate those securities into a debt component and an equity component, resulting in the debt component being recorded at fair value without consideration given to the conversion feature. Issuance costs are also allocated between the debt and equity components. We are required to record interest expense using our nonconvertible debt borrowing rate. The provisions of ASC 470-20 are retrospective upon adoption, and prior period amounts have been adjusted to apply the new method of accounting. This new guidance applies to our 3 $^{3}/4$% senior subordinated convertible notes due 2012 ( Convertible Notes ) issued in August 2005. The cumulative impact of the accounting change on retained earnings for years prior to 2007 was $2.9 million. The impact of the adoption of this accounting change was a decrease to net income and diluted earnings per share of $2.4 million and $0.05 per share; $2.3 million and $0.05 per share; $2.1 million and $0.05; and $0.8 million and $.02 per share for the years ended December 31, 2008, 2007, 2006 and 2005, respectively.

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**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

The combined effect of recording the correction of the immaterial error and adoption of ASC 470-20 in our Consolidated Statement of Income is presented in the following table:

| | For the Year Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | December 31, 2008 | | December 31, 2007 | | December 31, 2006 | | December 31, 2005 | |
| | As Reported | As Revised | As Reported | As Revised | As Reported | As Revised | As Reported | As Revised |
| Direct cost of revenues | 705,611 | 708,783 | 548,407 | 552,347 | 389,032 | 389,089 | 291,592 | 291,592 |
| Selling, general and administrative expense | 330,052 | 330,191 | 255,238 | 255,876 | 178,572 | 179,361 | 127,727 | 127,727 |
| **Operating income** | **238,658** | **235,347** | **187,010** | **182,432** | **106,182** | **105,336** | **113,692** | **113,692** |
| Interest income and other | 8,685 | 8,840 | 7,639 | 8,091 | 2,119 | 2,198 | 145 | 145 |
| Interest expense | (41,051) | (45,105) | (43,857) | (47,639) | (28,949) | (32,441) | (15,021) | (16,375) |
| **Income before income tax provision** | **205,631** | **198,421** | **149,790** | **141,882** | **79,165** | **74,906** | **97,187** | **95,833** |
| Income tax provision | 80,196 | 77,515 | 57,669 | 55,548 | 37,141 | 35,744 | 40,819 | 40,277 |
| **Net income** | **125,435** | **120,906** | **92,121** | **86,334** | **42,024** | **39,162** | **56,368** | **55,556** |
| Earnings per common share: | | | | | | | | |
| Basic | 2.55 | 2.46 | 2.14 | 2.01 | 1.06 | 0.99 | 1.38 | 1.36 |
| Diluted | 2.34 | 2.26 | 2.00 | 1.88 | 1.04 | 0.97 | 1.35 | 1.33 |

The combined effect of recording the correction of the immaterial error and adoption of ASC 470-20 on our Consolidated Balance Sheet at December 31, 2008 is presented in the following table:

| | December 31, 2008 | |
|---|---|---|
| | As Reported | As Revised |
| Prepaid expenses and other current assets | $ 31,055 | $ 34,989 |
| Total current assets | 552,454 | 556,388 |
| Goodwill | 1,151,388 | 1,143,461 |
| Other assets | 59,948 | 59,349 |
| **Total assets** | **2,088,169** | **2,083,577** |
| Accounts payable, accrued expenses and other | 109,036 | 108,905 |
| Accrued compensation | 133,103 | 135,922 |
| Current portion of long-term debt and capital lease obligations | 150,898 | 132,915 |
| Total current liabilities | 423,909 | 408,614 |
| Deferred income taxes-noncurrent | 76,804 | 83,777 |
| **Total liabilities** | **964,342** | **956,020** |
| Common stock | 509 | 509 |
| Additional paid-in capital | 717,158 | 733,520 |
| Retained earnings | 486,493 | 472,503 |
| Accumulated other comprehensive (loss) income | (80,333) | (78,975) |
| **Total stockholders equity** | **1,123,827** | **1,127,557** |
| **Total liabilities and stockholders equity** | **2,088,169** | **2,083,577** |

The Notes to the Consolidated Financial Statements have also been updated to reflect the correction of the immaterial errors and the retrospective adoption of the change in accounting principle.

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**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

### 3. Earnings Per Common Share

Basic earnings per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share adjusts basic earnings per share for the effects of potentially dilutive issuances of common shares. Potentially dilutive common shares primarily include the dilutive effects of shares issuable under our equity compensation plans, including restricted shares using the treasury stock method, and shares issuable upon conversion of our Convertible Notes assuming the conversion premium was converted into common stock based on the average market price of our stock during the period. The conversion feature of the Convertible Notes had a dilutive effect on our earnings per share in 2009 and 2008 because the average price per share of our common stock for the years ended December 31, 2009 and 2008 was above the current conversion price of the notes.

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2009** | **2008** | **2007** |
| **Numerator - basic and diluted** | | | |
| Net income | $ 143,026 | $ 120,906 | $ 86,334 |
| **Denominator** | | | |
| Weighted average number of common shares outstanding basic | 49,963 | 49,193 | 43,028 |
| Effect of dilutive stock options | 1,167 | 1,600 | 1,285 |
| Effect of dilutive convertible notes | 1,613 | 2,367 | 1,294 |
| Effect of dilutive restricted shares | 301 | 443 | 367 |
| Weighted average number of common shares outstanding diluted | 53,044 | 53,603 | 45,974 |
| **Earnings per common share basic** | $ 2.86 | $ 2.46 | $ 2.01 |
| **Earnings per common share diluted** | $ 2.70 | $ 2.26 | $ 1.88 |
| **Antidilutive stock options and restricted shares** | 1,102 | 455 | 1,223 |

### 4. New Accounting Standards Not Yet Adopted

In December 2009, the Financial Accounting Standards Board ( FASB ) issued Accounting Standards Update ( ASU ) No. 2009-17, *Consolidations: Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities* ( ASU 2009-17 ). This update amends guidance included in ASC 810, *Consolidation* as a result of Statement of Financial Accounting Standards ( SFAS ) No. 167, which was issued by the FASB in June 2009. ASU 2009-17 amends previous guidance set forth by FASB Interpretation No. 46(R) Consolidation of Variable Interest Entities to address the elimination of the concept of a qualifying special purpose entity. It also replaces the quantitative-based risks and rewards calculation for determining which enterprise has a controlling financial interest in a variable interest entity with an approach focused on identifying which enterprise has the power to direct the activities of a variable interest entity and the obligation to absorb losses or right to receive benefits from the entity. ASU 2009-17 requires additional disclosures aimed at providing more timely and useful information about an enterprise s involvement with a variable interest entity. These new provisions will become effective as of January 1, 2010 for calendar year-end companies. We will adopt the new provisions in January 2010, and do not anticipate any material impact on our Consolidated Financial Statements.

In October 2009, the FASB issued ASU 2009-13, *Multiple-Deliverable Revenue Arrangements* ( ASU 2009-13 ), which affects ASC 605, *Revenue Recognition*. ASU 2009-13 amends the criteria for separating consideration in multiple-deliverable arrangements. It eliminates the requirement under previous guidance that

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all undelivered elements have vendor-specific objective evidence ( VSOE ) or third-party evidence ( TPE ) of fair value before recognizing a portion of revenue related to the delivered items, and establishes that revenue be allocated to each element based on its relative selling price, as determined by VSOE, TPE, or the entity s estimated selling price if neither of the aforementioned is available. Additionally, ASU 2009-13 eliminates the residual method of allocation and expands required disclosures about multiple-element revenue arrangements. We are required to adopt the amendments in ASU 2009-13 prospectively for revenue arrangements entered into or materially modified beginning January 1, 2011, with early adoption permitted. We are currently evaluating the impact of adopting this ASU on our financial position, results of operations and cash flows.

**5. Interest Income and Other**

The table below presents the components of Interest income and other as shown on the Consolidated Statements of Income.

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2009** | **2008** | **2007** |
| Interest income | $ 5,645 | $ 7,454 | $ 8,173 |
| Foreign exchange transaction gains (losses), net | 587 | 899 | (839) |
| Remeasurement gain on acquisition of German joint venture | 2,277 | | |
| Other | (351) | 487 | 757 |
| **Interest income and other** | $ 8,158 | $ 8,840 | $ 8,091 |

See Note 8 to the Consolidated Financial Statements for information on the remeasurement gain.

**6. Share-Based Compensation**

**Share-Based Incentive Compensation Plans**

Our 2004 Long-Term Incentive Plan ( 2004 Plan ) authorizes common stock for option rights, appreciation rights, restricted or unrestricted shares, performance awards or other share-based or cash based awards to our officers, employees, non-employee directors and individual service providers, subject to the discretion of the administrator to make awards. We are authorized to issue up to 3,000,000 shares of common stock under the 2004 Plan, of which no more than 600,000 shares of common stock may be issued in the form of restricted or unrestricted shares or other share-based awards. As of December 31, 2009, there are no shares of common stock available for grant under our 2004 Long-Term Incentive Plan.

The FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan ( 2006 Plan ) authorizes common stock for stock options, stock appreciation rights, restricted or unrestricted shares, performance awards or other share-based or cash-based awards to our officers, employees, non-employee directors and individual service providers, subject to the discretion of the administrator to make awards. We are authorized to issue up to 3,500,000 shares of common stock under the 2006 Plan, of which no more than 1,100,000 shares of common stock may be issued in the form of restricted or unrestricted shares or other share-based awards. As of December 31, 2009, 118,319 shares of common stock were available for grant under our 2006 Plan, of which 34,243 shares may be granted as share-based awards.

The amendment and restatement of the FTI Consulting, Inc. Deferred Compensation Plan for Key Employees and Non-Employee Directors, as previously amended (the Deferred Compensation Plan ), (renamed the FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan ( Omnibus Plan )), was approved by the stockholders of FTI on June 3, 2009.

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The 2009 Omnibus Plan authorizes common stock for stock options, stock appreciation rights, restricted or unrestricted shares, performance awards or other share-based or cash-based awards to our officers, employees, non-employee directors and individual service providers, subject to the discretion of the administrator to make awards, incentive compensation in the form of equity and equity-based awards. The Omnibus Plan also authorizes common stock in connection with the issuance of deferred stock units or deferred restricted stock units on account of certain eligible compensation electively deferred by our non-employee directors and certain key employees (excluding executive officers of FTI). We are authorized to issue up to 1,500,000 shares of common stock under the Omnibus Plan, of which an aggregate of 900,000 shares of common stock would be available for restricted and unrestricted stock awards or other stock-based awards. As of December 31, 2009, 1,167,161 shares of common stock were available for grant under our 2009 Omnibus Plan, of which 877,045 shares may be granted as share-based awards.

Options have been granted to employees with exercise prices equal to or greater than the market value of our common stock on the grant date and expire ten years subsequent to award. Vesting provisions for individual awards are established at the grant date at the discretion of the compensation committee of our board of directors. Options granted under our share-based incentive compensation plans generally vest over three to six years, although we have granted options that vest over eight years. Restricted shares are generally contingent on continued employment and become fully vested over periods of three to ten years. Some stock options and restricted share awards vest upon the earlier of the achievement of a service condition, performance condition or the achievement of a market condition. Our share-based incentive compensation plans provide for accelerated vesting if there is a change in control, as defined in the applicable plan. The employment agreements and award agreements with executive officers and other employees provide for accelerated vesting on other events, including death, disability, termination without good cause and termination by the employee with good reason. We issue new shares of our common stock whenever stock options are exercised or share awards are granted. Shares of common stock under the Omnibus Plan will also be issued on account of deferred stock units and deferred restricted stock units upon an event of separation service or an elected payment date pursuant to Section 409A of the Internal Revenue Code of 1986, as amended, and the plan.

Periodically, we issue restricted and unrestricted shares to employees upon employment or in connection with performance evaluations. The fair market value on the date of issuance of unrestricted shares is immediately charged to compensation expense. The fair market value on the date of issue of restricted shares is charged to compensation expense ratably over the remaining service period as the restrictions lapse.

**Employee Stock Purchase Plan**

The FTI Consulting, Inc. 2007 Employee Stock Purchase Plan ( 2007 ESPP ) allowed eligible employees to subscribe to purchase shares of common stock through payroll deductions. Our U.S. sub-plan allowed deductions of up to 15% of eligible compensation, subject to limitations. Under the U.S. sub-plan, the purchase price was the lower of 85% of the fair market value of our common stock on the first trading day or the last trading day of each semi-annual offering period. Under the U.S. sub-plan, the aggregate number of shares purchased by an employee could not exceed $25,000 of fair market value annually, subject to limitations imposed by Section 423 of the Internal Revenue Code. Under the 2007 ESPP, employees purchased 302,093 shares of common stock at a weighted average price per share of $44.16 during the year ended December 31, 2008 and 304,277 shares of common stock at $23.71 during the year ended December 31, 2007.The 2007 ESPP was terminated effective January 1, 2009 pursuant to action taken by our Board of Directors on December 18, 2008.

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(dollar and share amounts in tables expressed in thousands, except per share data)

The FTI Consulting, Inc. Employee Stock Purchase Plan was in effect prior to the plan described above. The provisions of this plan were substantially the same as the provisions under the 2007 ESPP. Employees purchased 120,439 shares of common stock under this plan at a weighted average price per share of $22.75 during the year ending December 31, 2007. Shares are no longer available for purchase under this plan.

**Share-Based Compensation Expense**

We use the Black-Scholes option-pricing model to value our option and employee stock purchase plan grants using the assumptions in the following table.

| | Year Ended December 31, 2009 | 2008 | 2007 |
|---|---|---|---|
| **Assumptions** | | | |
| Risk-free interest rate option plan grants | .66% 2.81% | 1.86% 4.13% | 3.38% 4.89% |
| Risk-free interest rate purchase plan grants | N/A | 3.11% 4.60% | 4.94% 5.02% |
| Dividend yield | 0% | 0% | 0% |
| Expected term of option grants | 3 6 years | 3 6 years | 3 10 years |
| Expected term of stock purchase plan grants | N/A | 0.5 year | 0.5 year |
| Stock price volatility option plan grants | 38.43% 44.75% | 32.36% 43.46% | 32.2% 48.70% |
| Stock price volatility purchase plan grants | N/A | 35.48% 41.24% | 29.9% 34.50% |

The table below reflects the total share-based compensation expense recognized in our income statements for the years ended December 31, 2009, 2008 and 2007. Forfeitures are estimated at the time an award is granted and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Pre-vesting forfeitures were estimated to be between 0% and 3% based on historical experience for different groups of equity award holders that have similar historical forfeiture experience.

| | 2009 | | 2008 | | 2007 | |
|---|---|---|---|---|---|---|
| **Income Statement Classification** | **Option Grants and Stock Purchase Plan Rights** | **Restricted Stock Grants** | **Option Grants and Stock Purchase Plan Rights** | **Restricted Stock Grants** | **Option Grants and Stock Purchase Plan Rights** | **Restricted Stock Grants** |
| Direct cost of revenues | $ 6,759 | $ 5,842 | $ 8,577 | $ 3,599 | $ 6,699 | $ 3,032 |
| Selling, general and administrative expense | 5,072 | 7,958 | 7,702 | 6,503 | 9,659 | 4,370 |
| Share-based compensation expense before income taxes | 11,831 | 13,800 | 16,279 | 10,102 | 16,358 | 7,402 |
| Income tax benefit | 4,821 | 5,006 | 4,737 | 3,483 | 4,448 | 2,866 |
| Share-based compensation, net of income taxes | $ 7,010 | $ 8,794 | $ 11,542 | $ 6,619 | $ 11,910 | $ 4,536 |

During 2006, we issued 207,790 options to non-employees with an exercise price of $28.09. The shares vest equally over a four year period beginning January 6, 2011 and expire January 6, 2016. Expense associated with the options is amortized over the life of the option using the liability method of accounting and the fair value of the awards is remeasured at each reporting date until the award vests.

Expenses included in the table above related to these non-employee options are $1.1 million, $(0.1) million and $2.5 million for the years ended December 31, 2009, 2008 and 2007, respectively. As of December 31, 2009 and 2008, $4.1 million and $3.0 million, respectively, were included in Other liabilities on the Consolidated Balance Sheet.

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In July 2008, we issued 34,790 restricted shares with a price floor guarantee to employees. The incremental value to the employee, as a result of the stock floor, is expensed and amortized over the vesting period using the liability method of accounting. The incremental value is computed as the excess of the stock floor price over the period end share price, multiplied by the number of shares vested as of the period end date. The expense related to the liability component of these awards that is included in the table above for the years ended December 31, 2009 and 2008 is $0.1 million and $0.3 million, respectively.

As of December 31, 2009, there was $24.8 million of unrecognized compensation cost related to unvested stock options. That cost is expected to be recognized ratably over a weighted-average period of 3.2 years as the options vest.

**General Stock Option and Share-Based Award Information**

The following table summarizes the option activity under our share-based incentive compensation plans as of and during the year ended December 31, 2009. The aggregate intrinsic value in the table below represents the total pre-tax intrinsic value (the difference between the closing price of our common stock on the last trading day of 2009 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2009. This amount changes based on changes in the fair market value per share of our common stock.

| | Shares | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term | Aggregate Intrinsic Value |
|---|---|---|---|---|
| **Options outstanding, January 1, 2009** | 4,953 | $ 30.19 | | |
| Options granted during the period: | | | | |
| Exercise Price = fair market value | 489 | $ 47.49 | | |
| Options exercised | (564) | $ 24.54 | | |
| Options forfeited | (101) | $ 62.39 | | |
| **Options outstanding, December 31, 2009** | 4,777 | $ 31.94 | 6.3 years | $ 81,944 |
| **Options exercisable, December 31, 2009** | 2,740 | $ 27.49 | 5.4 years | $ 56,907 |

Cash received from option exercises under all share-based payment arrangements for the years ended December 31, 2009, 2008 and 2007 was $13.8 million, $12.2 million and $37.1 million, respectively. The actual tax benefit realized from stock options exercised totaled $2.8 million, $7.7 million and $19.3 million, respectively, for the years ended December 31, 2009, 2008 and 2007.

The intrinsic value of options exercised is the amount by which the market value of our common stock on the exercise date exceeds the exercise price. The total intrinsic value of options exercised was:

$14.4 million during the year ended December 31, 2009;

$22.7 million during the year ended December 31, 2008; and

$51.7 million during the year ended December 31, 2007.

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The table below reflects the weighted-average grant date fair value per share of stock options granted, shares purchased under our employee stock purchase plan and restricted shares and share units granted during the years ended December 31, 2009, 2008 and 2007:

| | Year Ended December 31, 2009 | 2008 | 2007 |
|---|---|---|---|
| **Weighted average fair value of grants** | | | |
| Stock options: | | | |
| Grant price = fair market value | $ 19.49 | $ 24.87 | $ 15.65 |
| Grant price > fair market value | $ | $ 30.52 | $ 21.44 |
| Employee stock purchase plan shares | N/A | $ 17.12 | $ 7.71 |
| Restricted shares | $ 46.92 | $ 67.37 | $ 34.58 |

Following is a summary of the status of stock options outstanding and exercisable at December 31, 2009:

| | Options Outstanding | | | Options Exercisable | |
|---|---|---|---|---|---|
| **Exercise Price Range** | **Shares** | **Weighted-Average Exercise Price** | **Weighted-Average Remaining Contractual Term** | **Shares** | **Weighted-Average Exercise Price** |
| $3.23 - $24.28 | 1,020 | $ 19.96 | 3.8 years | 1,008 | $ 19.94 |
| $25.25 - $26.66 | 971 | $ 26.25 | 6.4 years | 782 | $ 26.32 |
| $26.73 - $27.89 | 955 | $ 27.72 | 6.4 years | 397 | $ 27.61 |
| $27.90 - $41.03 | 956 | $ 31.27 | 6.5 years | 332 | $ 31.19 |
| $41.15 - $71.16 | 875 | $ 57.54 | 8.6 years | 221 | $ 60.21 |
| | 4,777 | | | 2,740 | |

A summary of our unvested restricted share award activity during the year ended December 31, 2009 is presented below. The fair value of unvested restricted share-based awards is determined based on the closing market price per share of our common stock on the grant date. Pre-vesting forfeitures were estimated to be between 0% and 1.2% based on historical experience.

| | Shares | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| **Unvested restricted shares outstanding, January 1, 2009** | 964 | $ 41.48 |
| Restricted share awards granted | 322 | $ 46.69 |
| Restricted share awards vested | (318) | $ 36.25 |
| Restricted share awards forfeited | (70) | $ 64.48 |
| **Unvested restricted shares outstanding, December 31, 2009** | 898 | $ 43.40 |

Restricted share units under the deferred compensation provisions of the 2009 Omnibus Plan may be granted to non-employee directors who elect to defer their annual equity payment with a value of $250,000, payable on the date of our annual stockholders meeting each year and to certain key employees. Each restricted share unit is equivalent to one share of common stock of FTI. The restricted share units for non-employee directors are issued on account of the director s annual equity payment and vest on the first anniversary of the

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grant date, provided that the non-employee director is serving in that capacity on the applicable vesting date. Stock units scheduled to vest in a year in which the director is not nominated for election or a director is not elected by shareholders will vest and not be forfeited. Upon a separation of service event or an elected payment date pursuant to Section 409A of the Internal Revenue Code, such director will receive one share of common stock for each stock unit credited to his or her account on the books of FTI. The restricted share units are then distributed to the director following his or her last date of service. The restricted share units for key employees are immediately vested upon issuance and are settled in common stock with the participants at either their date of separation of service or the individual s elected payment date pursuant to section 409A of the Internal Revenue Code.

A summary of our restricted share unit activity during the year ended December 31, 2009 is presented below. The fair value of restricted share-based units is determined based on the closing market price per share of our common stock on the grant date.

| | Shares | Weighted-Average Grant-Date Fair Value | Intrinsic Value |
|---|---|---|---|
| **Restricted share units outstanding, January 1, 2009** | 196 | $ 40.44 | |
| Restricted share units granted | 116 | 47.57 | |
| Restricted share units released | (43) | 26.89 | |
| **Restricted share units outstanding, December 31, 2009** | 269 | $ 45.36 | $ 12,703 |

The intrinsic value of restricted share units released reflects the market value of our common stock on the date of release. The total intrinsic value of restricted share units released was $2.2 million for the year ended December 31, 2009 and was not material for the years ended December 31, 2008 and 2007.

As of December 31, 2009, there was $29.3 million of unrecognized compensation cost related to unvested restricted awards and share units. That cost is expected to be recognized ratably over a weighted-average period of 3.0 years as the awards and units vest. The total fair value of restricted share awards and share units that vested during the years ended December 31, 2009, 2008 and 2007 was $12.5 million, $7.6 million and $3.4 million, respectively.

**7. Research and Development Costs**

Research and development costs related to software development charged to expense totaled $21.1 million, $18.0 million and $7.6 million for the years ended December 31, 2009, 2008 and 2007, respectively. Research and development costs are included in Selling, general and administrative expense on the Consolidated Statements of Income. For the year ended December 31, 2007, $5.3 million of research and development costs were classified as direct cost of revenues, and $2.3 million of research and development costs were classified as selling, general and administrative expense.

**8. Acquisitions**

Certain acquisition related restricted stock agreements entered into prior to January 1, 2009 contain stock price guarantees that may result in cash payments in the future if our share price falls below a specified per share market value on the date applicable stock restrictions lapse (the determination date ). For those acquisitions, the

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future settlement of any contingency related to common stock price will be recorded as a reduction to additional paid-in capital. During 2009, we paid $0.1 million in cash in relation to the price protection provision on certain shares of common stock that became unrestricted, which was recorded as a reduction to additional paid-in capital. As of December 31, 2009, we are not obligated to make any price protection related payments under existing contractual arrangements. However, we will be required to do so in the future if our share price falls below the price guarantee on the determination date. Our remaining common stock price guarantee provisions have stock floor prices that range from $22.33 to $69.62 per share and have determination dates that range from 2010 to 2013.

In certain business combinations consummated prior to January 1, 2009, a portion of our purchase price is in the form of contingent consideration. The contingent consideration represents the difference between the seller s and our perceived values of the business based upon our respective performance estimates at the time of acquisition. The use of contingent consideration allows us to shift some of the valuation risk, inherent at the time of acquisition, to the seller based upon the outcome of future financial targets that the seller contemplates in its valuation. Contingent consideration is payable annually as agreed upon performance targets are met and is generally subject to a maximum amount within a specified time period. Contingent consideration related to acquisitions consummated prior to January 1, 2009 is recorded as additional purchase price with the adjustment recorded as an increase to goodwill if the contingency is satisfied. Additional consideration related to businesses acquired prior to January 1, 2009 that was recorded as an adjustment to goodwill was $32.3 million, $49.4 million, and $41.0 million for the years ended December 31, 2009, 2008 and 2007, respectively.

For acquisitions consummated prior to January 1, 2009, the fair value of shares of our common stock issued in connection with a business combination was based on an average stock price formula, such as a five-day average of the closing price of our common stock for a period of days prior to or after the date of consummation of the acquisition.

On January 1, 2009, we were required to adopt new accounting principles for business combinations. These principles are required to be applied prospectively to business combinations consummated subsequent to December 31, 2008. These new principles change how an acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired in a business combination. Key changes include:

- the recognition of transaction costs related to a business combination in current period earnings rather than as a capitalized component of purchase price;

- the recognition of the estimated fair value of certain contingent consideration at the acquisition date rather than when the consideration was issued or became issuable;

- the subsequent adjustment to fair value at each reporting date of any contingent consideration recognized with an offset to current period earnings;

- the subsequent adjustment to deferred tax asset valuation allowances and income tax uncertainties after the acquisition date will be recognized in current period earnings; and

- changes in the accounting for business combinations achieved in stages. When control of a business is achieved in stages, acquisition method accounting is applied on the date that control is obtained. In addition, the acquirer remeasures its previously acquired non-controlling equity investment in the acquiree at fair value as of the acquisition date, and recognizes any gain or loss on that remeasurement in current period earnings.

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***2009 Acquisition***

In 2009, we acquired the remaining 50% equity interest in a German joint venture owned by the Strategic Communications segment resulting in a controlling interest and consolidation of this entity. We completed the valuation of the previously acquired non-controlling equity investment and recorded a $2.3 million gain on remeasuring our existing investment in the joint venture to fair value. The $2.3 million gain is included in Interest income and other on the Consolidated Statement of Income for the year ended December 31, 2009.

***2008 and 2007 Acquisitions***

During 2008, we completed 16 business combinations for a total acquisition cost of $373.1 million, consisting of cash, transaction costs, liabilities assumed of $319.1 million and 870,725 restricted shares of our common stock valued at $54.0 million. Certain purchase agreements for these business combinations contain provisions that include additional payments, some of which may be payable in shares of our common stock at our discretion, based on achievement of annual financial targets in each of the next one to five years. Any contingent consideration payable in the future will be applied to goodwill. Based on the 2009 and 2008 financial results, we have paid or accrued additional contingent consideration of $8.5 million, which has been included in the preceding disclosed acquisition costs.

During 2007, we completed seven business combinations for a total acquisition cost of $54.8 million, consisting of cash and transaction costs of $48.8 million and 169,999 restricted shares of our common stock valued at $6.0 million. Certain purchase agreements for these business combinations contain provisions that include additional payments, some of which may be payable in shares of our common stock at our discretion, based on achievement of annual financial targets in each of the next two years. Any contingent consideration payable in the future will be applied to goodwill. Based on 2009, 2008 and 2007 financial results, we have paid or accrued additional contingent consideration of $27.3 million, which has been included in the preceding disclosed acquisition costs.

**9. Concentrations of Risk**

We derive the majority of our revenues from providing professional services to our clients in the U.S., with approximately 82% of our revenue being generated from U.S. legal entities. We believe that the geographic and industry diversity of our customer base throughout the U.S. and internationally minimizes the risk of incurring material losses due to concentrations of credit risk. The table below details information on our net assets at December 31, 2009 and 2008. Net assets have been attributed to geographic location based on the location of the legal entity holding the assets.

| | **December 31,** | |
|---|---|---|
| | **2009** | **2008** |
| United States | $ 831,326 | $ 924,722 |
| All foreign countries | 272,888 | 202,835 |
| Total net assets | $ 1,104,214 | $ 1,127,557 |

We are periodically engaged to provide services in connection with client matters where payment of our fees is deferred until the conclusion of the matter. One of these client matters has resulted in a $19.0 million unsecured trade receivable that has been classified as non-current within Other assets on our Consolidated Balance Sheets at December 31, 2009 and 2008, respectively.

**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

### 10. Balance Sheet Details

| | December 31, 2009 | December 31, 2008 |
|---|---|---|
| **Prepaid expenses and other current assets** | | |
| Prepaid expenses | $ 22,431 | $ 22,046 |
| Short-term investments | 15,000 | |
| Other current assets | 14,741 | 12,943 |
| | $ 52,172 | $ 34,989 |
| **Notes receivable** | | |
| Notes receivable from employees | $ 20,394 | $ 14,645 |
| Note receivable from purchasers of former subsidiary | 459 | 500 |
| | $ 20,853 | $ 15,145 |
| **Notes receivable, net of current portion** | | |
| Notes receivable from employees, net of current portion | $ 69,213 | $ 56,000 |
| Notes receivable from purchasers of former subsidiary and other | | 500 |
| | $ 69,213 | $ 56,500 |
| **Accounts payable, accrued expenses and other** | | |
| Accounts payable | $ 8,486 | $ 13,241 |
| Accrued expenses | 22,264 | 26,391 |
| Accrued contingent consideration | 23,376 | 48,936 |
| Other current liabilities | 27,067 | 20,337 |
| | $ 81,193 | $ 108,905 |

### 11. Financial Instruments

**Derivative Financial Instruments**

We enter into derivative contracts to manage our exposure to interest rate changes by achieving a desired proportion of fixed rate versus variable rate debt. In June 2009, the counterparties to our two interest rate swaps, with an aggregate $60.0 million notional amount, exercised their right to terminate these agreements. Prior to their termination, these interest rate swaps effectively converted $60.0 million of our 7 5/8% Senior Notes due 2013 ( 7 5/8% Notes ) from a fixed rate to a variable rate instrument. (See Note 14 to the Consolidated Financial Statements for information on the swap termination). These interest rate swaps, previously designated as fair value hedges of fixed rate debt, qualified for hedge accounting using the short-cut method under ASC 815-20-25, *Derivatives and Hedging* (formerly SFAS No. 133), which assumes no hedge ineffectiveness. As a result, changes in the fair value of the interest rate swaps and changes in the fair value of the hedged debt were assumed to be equal and offsetting. At December 31, 2008, a $2.9 million fair value adjustment related to the interest rate swap is recorded in Other assets on the Consolidated Balance Sheet with an offsetting $2.9 million fair value adjustment to Long-term debt and capital lease obligations.

**Fair Value of Financial Instruments**

We consider the recorded value of certain of our financial assets and liabilities, which consist primarily of cash and cash equivalents, accounts receivable and accounts payable, to approximate the fair value of the

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respective assets and liabilities at December 31, 2009, based on the short-term nature of the assets and liabilities. We determined the fair value of our long-term debt based on quoted market prices for our 7 5/8% Notes, 7 3/4% Senior Notes due 2016 ( 7 3/4% Notes ) and Convertible Notes.

There were no financial instruments carried at fair value at December 31, 2009. At December 31, 2008, interest rate swaps with an aggregate $60.0 million notional amount were carried at fair value based on estimates to settle the agreements as of the balance sheet date, which would be considered fair value determined using significant other observable inputs. The fair value adjustment related to the interest rate swap is recorded in Other assets on the Consolidated Balance Sheet.

The following table presents financial assets and liabilities measured at fair value as of December 31, 2008:

| As of December 31, 2008 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---|---|---|---|---|
| Interest rate swaps (recorded in Other assets ) | $ | $ 2,884 | $ | $ 2,884 |
| **Total** | $ | $ 2,884 | $ | $ 2,884 |
| Hedge adjustment on long-term debt (recorded in Long-term debt and capital lease obligations ) | $ | $ 2,884 | $ | $ 2,884 |
| **Total** | $ | $ 2,884 | $ | $ 2,884 |

We have determined the estimated fair values of financial instruments using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop fair value estimates. As a result, the estimates presented below are not necessarily indicative of the amounts that we could realize or be required to pay in a current market exchange. The use of different market assumptions, as well as estimation methodologies, may have a material effect on the estimated fair value amounts.

| | December 31, 2009 | | December 31, 2008 | |
|---|---|---|---|---|
| | Carrying Amount | Estimated Fair Value | Carrying Amount | Estimated Fair Value |
| Long-term debt, including current portion [(a)] | $ 572,703 | $ 663,973 | $ 549,900 | $ 583,475 |
| Interest rate swap assets | | | 2,884 | 2,884 |

(a) Carrying amount includes the equity component of Convertible Notes recorded in Additional paid-in capital of $18.0 million.

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## 12. Property and Equipment

Property and equipment consist of the following:

| | December 31, 2009 | December 31, 2008 |
|---|---|---|
| Leasehold improvements | $ 43,974 | $ 37,524 |
| Construction in progress | 8,442 | 4,335 |
| Furniture and equipment | 27,887 | 24,091 |
| Computer equipment and software | 81,544 | 70,753 |
| | 161,847 | 136,703 |
| Accumulated depreciation and amortization | (81,169) | (58,128) |
| Property and equipment, net | $ 80,678 | $ 78,575 |

Depreciation expense was $27.8 million in 2009, $25.5 million in 2008 and $19.3 million in 2007.

## 13. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill by reportable segment are as follows:

| | Corporate Finance/ Restructuring | Forensic and Litigation Consulting | Economic Consulting | Technology | Strategic Communications | Total |
|---|---|---|---|---|---|---|
| **Balance December 31, 2007** | $ 298,571 | $ 149,308 | $ 181,669 | $ 37,590 | $ 267,746 | $ 934,884 |
| Goodwill acquired during the year | 92,019 | 50,679 | 1,206 | 81,563 | 3,569 | 229,036 |
| Contingent consideration [(a)] | | 1,083 | 8,169 | | 37,494 | 46,746 |
| Adjustments to allocation of purchase price | | (612) | | | (4,198) | (4,810) |
| Foreign currency translation adjustment and other | (656) | (11,329) | | (612) | (49,798) | (62,395) |
| **Balance December 31, 2008** | 389,934 | 189,129 | 191,044 | 118,541 | 254,813 | 1,143,461 |
| Goodwill acquired during the year | | | | | 3,008 | 3,008 |
| Contingent consideration | | 1,366 | 5,655 | | 25,285 | 32,306 |
| Adjustments to allocation of purchase price | (3,119) | | | (934) | 935 | (3,118) |
| Foreign currency translation adjustment and other | 461 | 3,734 | 32 | 404 | 15,661 | 20,292 |
| **Balance December 31, 2009** | $ 387,276 | $ 194,229 | $ 196,731 | $ 118,011 | $ 299,702 | $ 1,195,949 |

[a] Contingent consideration of $2.6 million for 2008 acquisitions has been included in goodwill acquired during the year.

Other intangible assets with finite lives are amortized over their estimated useful lives. We recorded amortization expense of $24.7 million in 2009, $18.8 million in 2008 and $10.6 million in 2007. Based solely on

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the amortizable intangible assets recorded as of December 31, 2009, we estimate amortization expense to be $23.4 million in 2010, $21.3 million in 2011, $20.8 million in 2012, $17.8 million in 2013, $10.2 million in 2014 and $56.8 million in years after 2014. Actual amortization expense to be reported in future periods could differ from these estimates as a result of new intangible asset acquisitions, changes in useful lives or other relevant factors or changes.

| | | December 31, 2009 | | December 31, 2008 | |
|---|---|---|---|---|---|
| | Useful Life in Years | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| **Amortized intangible assets** | | | | | |
| Customer relationships | 1 to 15 | $ 144,048 | $ 33,016 | $ 133,113 | $ 19,897 |
| Non-competition agreements | 1 to 10 | 18,268 | 8,788 | 17,194 | 5,735 |
| Software | 5 to 6 | 37,700 | 13,335 | 37,700 | 6,401 |
| Tradenames | 1 to 5 | 9,591 | 4,184 | 9,555 | 2,153 |
| Contract backlog | 1 | 317 | 317 | 273 | 23 |
| | | 209,924 | 59,640 | 197,835 | 34,209 |
| **Unamortized intangible assets** | | | | | |
| Tradenames | Indefinite | 25,678 | | 25,678 | |
| | | $ 235,602 | $ 59,640 | $ 223,513 | $ 34,209 |

For acquisitions completed during 2009 and 2008, the aggregate amount of purchase price assigned to intangible assets other than goodwill consisted of the following:

| | December 31, 2009 | | December 31, 2008 | |
|---|---|---|---|---|
| | Weigted-Average Amortization Period in Years | Fair Value | Weigted-Average Amortization Period in Years | Fair Value |
| **Amortized intangible assets** | | | | |
| Contract backlog | | $ | 1 | $ 275 |
| Customer relationships | 6 | 5,313 | 14 | 78,336 |
| Non-competition agreements | 6 | 540 | 5 | 5,427 |
| Tradenames | 1 | 140 | 5 | 8,512 |
| Software | | | 6 | 33,300 |
| | | 5,993 | | 125,850 |
| **Unamortized intangible assets** | | | | |
| Tradenames | Indefinite | | Indefinite | 11,200 |
| | | $ 5,993 | | $ 137,050 |

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## 14. Long-Term Debt and Capital Lease Obligations

| | December 31, 2009 | December 31, 2008 |
|---|---|---|
| 7 5/8% senior notes due 2013 [a] [b] | $ 202,012 | $ 202,884 |
| 7 3/4% senior notes due 2016 | 215,000 | 215,000 |
| 3 3/4% convertible senior subordinated notes due 2012 [c] | 136,540 | 131,968 |
| Notes payable to former shareholders of acquired business | 1,132 | 47 |
| **Total debt** | 554,684 | 549,899 |
| Less current portion | 137,672 | 132,015 |
| **Long-term debt, net of current portion** | 417,012 | 417,884 |
| Total capital lease obligations | 814 | 1,608 |
| Less current portion | 429 | 900 |
| **Capital lease obligations, net of current portion** | 385 | 708 |
| **Long-term debt and capital lease obligations, net of current portion** | **$ 417,397** | **$ 418,592** |

(a) Includes unamortized proceeds from interest rate swap terminations of $2.0 million at December 31, 2009 on our $200 million face value 7 5/8% senior notes.

(b) Includes a fair value hedge adjustment of $2.9 million at December 31, 2008 on our $200 million face value 7 5/8% senior notes.

(c) Includes discount of $13.4 million at December 31, 2009 and $18.0 million at December 31, 2008.

***7 5/8% senior notes due 2013.*** These notes are registered with the SEC. Cash interest is payable semi-annually beginning December 15, 2005 at a rate of 7.625% per year. We may redeem all or part of these notes at the redemption prices (expressed as percentages of the principal amount) set forth below plus accrued and unpaid interest on the notes redeemed to the applicable redemption date, if redeemed during the twelve month period beginning on June 15, of the years indicated below, subject to the rights of holders of notes on the relevant record date to receive interest on the relevant interest payment date.

| Year | Percentage |
|---|---|
| 2009 | 103.813% |
| 2010 | 101.906% |
| 2011 and thereafter | 100.000% |

These notes are senior unsecured indebtedness of ours and rank equal in right of payment with all of our other unsubordinated, unsecured indebtedness. We have agreed to specific registration rights with respect to these notes. If we do not maintain the registration of the notes effective through maturity, subject to limitations, then the annual interest rate on these notes will increase by 0.25% every 90 days, up to a maximum of 1.0%, until the default ceases to exist. If we have a registration default and subsequently correct it, the annual interest rate on the notes will revert to 7.625%.

In August 2005, we entered into two interest rate swap contracts with an aggregate notional amount of $60.0 million to receive interest at 7 $^{5}/8$% and pay a variable rate of interest based upon LIBOR. We designated these swaps as fair value hedges of the changes in fair value of $60.0 million of our 7 $^{5}/8$% Notes. Under the terms of

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the interest rate swap agreements, we received interest on the $60.0 million notional amount at a fixed rate of 7.625% and paid a variable rate of interest, which was between 5.60% and 7.85% for the year ended December 31, 2008, based on the LIBOR as the benchmark interest rate. The maturity, payment dates and other critical terms of these swaps exactly matched those of the hedged senior notes. In accordance with ASC 815-20-25, *Derivatives and Hedging* (formerly SFAS No. 133), the swaps were accounted for as effective hedges. Accordingly, the changes in the fair values of both the swaps and the debt were recorded as equal and offsetting gains and losses in interest expense. No hedge ineffectiveness was recognized as the critical provisions of the interest rate swap agreements match the applicable provisions of the debt. For the year ended December 31, 2008, the impact of effectively converting the interest rate of $60.0 million of our senior notes from fixed rate to variable rate decreased interest expense by $0.9 million. For the year ended December 31, 2007, the impact of effectively converting the interest rate increased interest expense by $0.5 million. The counterparties to the swaps exercised their right to terminate the swaps as of June 15, 2009 which resulted in a $2.3 million gain on termination. This gain has been recorded in Long-term debt and capital lease obligations on the Consolidated Balance Sheets and will be amortized as a reduction to interest expense over the remaining term of the 7 5/8% Notes, resulting in an effective interest rate of 6.5% per annum on $60.0 million of 7 5/8% Notes.

***7 3/4% senior notes due 2016.*** These notes are registered with SEC. Cash interest is payable semiannually beginning April 1, 2007 at a rate of 7.75% per year. We may choose to redeem some or all of these notes starting October 1, 2011 at an initial redemption price of 103.875% of the aggregate principal amount of these notes plus accrued and unpaid interest. These notes are senior unsecured indebtedness of ours and rank equal in right of payment with all of our other unsubordinated, unsecured indebtedness. We have agreed to specific registration rights with respect to these notes. If we do not maintain the registration of the notes effective through maturity, subject to limitations, then the annual interest rate on these notes will increase by 0.25% every 90 days, up to a maximum of 1.0% until the default ceases to exist. If we have a registration default and subsequently correct it, the annual interest rate on the notes will revert to 7.75%.

***3 3/4% convertible senior subordinated notes due 2012.*** These notes are registered with the SEC. Cash interest is payable semiannually beginning January 15, 2006 at a rate of 3.75% per year. The Convertible Notes are non-callable. Upon conversion, the principal portion of the Convertible Notes will be paid in cash and any excess of the conversion value over the principal portion will be paid either in cash, shares of our common stock or a combination of shares of our common stock and cash at our option. The conversion value of each note is the average closing price of our shares over the conversion reference period, as defined in the indenture, times the initial conversion rate of 31.998, subject to adjustment upon specified events. Assuming conversion of the full $149.9 million principal amount of the notes, for every $1.00 the market price of our common stock exceeds $31.25 per share, we will be required, at our option, either to pay an additional $4.8 million or to issue shares of our common stock with a then market price equivalent to $4.8 million to settle the conversion feature. The Convertible Notes may be converted at the option of the holder unless earlier repurchased: (1) on or after June 15, 2012; (2) if a specified fundamental change event occurs; (3) if the closing sale price of our common stock for a specified time period exceeds 120% of the conversion price for a specified time period; or (4) if the trading price for a convertible note is less than 95% of the closing sale price of our common stock into which it can be converted for a specified time period.

The Convertible Notes are currently convertible at the option of the holders through April 15, 2010 as provided in the indenture covering the notes. The notes are convertible as a result of the closing price per share of our common stock exceeding the conversion threshold price of $37.50 per share (120% of the applicable conversion price of $31.25 per share) for at least 20 days in the 30 consecutive trading days in period ended January 15, 2010.

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Upon surrendering any note for conversion, in accordance with the indenture, the holder of such note shall receive cash in the amount of the lesser of (i) the $1,000 principal amount of such Note or (ii) the conversion value of the note as defined in the indenture. The conversion feature results in a premium over the face amount of the notes equal to the difference between our stock price as determined by the calculation set forth in the indenture and the conversion price per share of $31.25 times the conversion ratio of 31.998 shares of common stock for each $1,000 principal amount of the notes. We retain our option to satisfy any conversion value in excess of each $1,000 principal amount of the notes with shares of common stock, cash or a combination of both cash and shares. The premium will be calculated using the stock price calculation defined in the indenture. Based on our closing stock price at December 31, 2009, the aggregate Convertible Notes conversion value exceeds their aggregate principal amount by $76.3 million.

As of January 1, 2009, we adopted the provisions of ASC 470-20, *Debt with Conversion and Other Options* ( ASC 470-20 ) (formerly FSP APB 14-1) with retrospective application to prior periods. ASC 470-20 addresses the accounting and disclosure requirements for convertible debt that may be settled in cash upon conversion. It requires an issuer to separately account for the liability and equity components of convertible debt in a manner that reflects the issuer s nonconvertible borrowing rate, resulting in higher interest expense over the life of the instrument due to the amortization of the discount. Our Convertible Notes are subject to ASC 470-20. We applied this guidance retrospectively to all periods presented.

The following table summarizes the liability and equity components of our Convertible Notes:

| | December 31, 2009 | December 31, 2008 |
|---|---|---|
| Liability component: | | |
| Principal | $ 149,940 | $ 149,951 |
| Unamortized discount | (13,400) | (17,983) |
| Balance of 3 3/4% convertible notes due 2012 | 136,540 | 131,968 |
| Equity component (recorded in additional paid-in capital) | 18,019 | 18,022 |

The discount on the liability component will be amortized over the remaining term of the Convertible Notes through July 15, 2012 using the effective interest method. The effective interest rate on the Convertible Notes is 7 5/8%. The components of interest cost on the Convertible Notes for the years ended December 31, 2009 and 2008 were as follows:

| | Year Ended December 31, 2009 | 2008 |
|---|---|---|
| Contractual interest | $ 5,624 | $ 5,625 |
| Amortization of debt discount | 4,582 | 4,264 |
| Amortization of deferred note issue costs | 641 | 641 |
| Total interest expense | $ 10,847 | $ 10,530 |

***Secured bank credit facility.*** Our amended and restated senior secured bank credit facility, as further amended (bank credit facility) provides for a $175.0 million revolving line of credit. The maturity date of the revolving line of credit is September 30, 2011. We may choose to repay outstanding borrowings under the bank credit facility at any time before maturity without penalty. Debt under the bank credit facility bears interest at an annual rate equal to the Eurodollar rate plus an applicable margin or an alternative base rate defined as the higher of (1) the lender s announced prime rate or (2) the federal funds rate plus the sum of 50 basis points and an applicable margin. Under the bank credit facility, the lenders have a security interest in substantially all of our assets.

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Our bank credit facility and the indentures governing our senior notes contain covenants which limit our ability to incur additional indebtedness, create liens, pay dividends on our capital stock, make distributions or repurchases of our capital stock or make specified other restricted payments, consolidate, merge or sell all or substantially all of our assets, guarantee obligations of other entities, enter into hedging agreements, enter into transactions with affiliates or related persons and engage in any business other than consulting related businesses. The bank credit facility requires compliance with financial ratios, including total indebtedness to earnings before interest, taxes, depreciation and amortization (EBITDA); EBITDA to specified charges; and the maintenance of a minimum net worth, each as defined under the bank credit facility. At December 31, 2009, we were in compliance with all covenants as stipulated in the bank credit facility and the indentures governing our senior notes. No borrowings were outstanding under the bank credit facility at December 31, 2009 or December 31, 2008. However, $3.8 million and $9.2 million of the borrowing limit was used (and, therefore, unavailable) as of December 31, 2009 and 2008, respectively, for letters of credit.

***Notes payable to shareholders of acquired business.*** In connection with the acquisition of FD International (Holdings) Limited in October 2006 ( FD ), we issued notes to former holders of FD capital shares who elected to receive notes in lieu of cash for acquisition and earn-out consideration. These notes are unsecured and bear interest based on the London Interbank Offered Rate, or LIBOR, that compounds quarterly. These notes are redeemable at any time prior to their maturity and accordingly they have been classified as a current obligation. The outstanding balance of these notes was $1.1 million at December 31, 2009 and was minimal at December 31, 2008.

***Guarantees.*** Currently, we do not have any debt guarantees related to entities outside of the consolidated group. As of December 31, 2009, substantially all of our domestic subsidiaries are guarantors of borrowings under our bank credit facility, our senior notes and our convertible notes in the amount of $565 million.

**Future Maturities of Long-Term Debt**

For years subsequent to December 31, 2009, scheduled annual maturities of long-term debt outstanding as of December 31, 2009 are as follows. Long-term debt that is callable by the holder has been classified as maturing in 2010 on the following table and includes the $149.9 million principal amount of Convertible Notes and $1.1 million of notes payable to shareholders of an acquired business.

| | Long-term Debt [(a)] | Capital Lease Obligations | Total |
|---|---|---|---|
| 2010 | $ 151,072 | $ 566 | $ 151,638 |
| 2011 | | 253 | 253 |
| 2012 | | 50 | 50 |
| 2013 | 200,000 | | 200,000 |
| 2014 | | | |
| Thereafter | 215,000 | | 215,000 |
| | 566,072 | 869 | 566,941 |
| Less imputed interest | | 55 | 55 |
| | $ 566,072 | $ 814 | $ 566,886 |

(a)

Principal balance does not include unamortized proceeds from interest rate swap termination or the discount or conversion premium on Convertible Notes.

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### 15. Commitments and Contingencies

**Operating Lease Commitments**

Rental expense, net of rental income was $49.5 million during 2009, $44.8 million during 2008 and $35.8 million during 2007. For years subsequent to December 31, 2009, future minimum payments for all operating lease obligations that have initial non-cancelable lease terms exceeding one year, net of rental income from subleases of $1.4 million in 2010, $0.5 million in 2011, and $0.1 million in 2012 are as follows:

| | Operating Leases |
|---|---|
| 2010 | $ 38,625 |
| 2011 | 36,761 |
| 2012 | 32,620 |
| 2013 | 28,893 |
| 2014 | 26,354 |
| Thereafter | 134,132 |
| | $ 297,385 |

**Contingencies**

We are subject to legal actions arising in the ordinary course of business. In management s opinion, we believe we have adequate legal defenses and/or insurance coverage with respect to the eventuality of such actions. We do not believe any settlement or judgment relating to any pending legal action would materially affect our financial position or results of operations.

### 16. Income Taxes

Significant components of deferred tax assets and liabilities are as follows:

| | December 31, 2009 | | December 31, 2008 | |
|---|---|---|---|---|
| | Asset | Liability | Asset | Liability |
| **Current deferred tax assets (liabilities)** | | | | |
| Allowance for doubtful accounts | $ 8,684 | $ | $ 8,574 | $ |
| Accrued vacation and bonus | 9,586 | | 12,260 | |
| Restricted stock | 2,412 | | 2,980 | |
| Other | | (206) | 558 | |
| **Total current deferred tax assets (liabilities)** | 20,682 | (206) | 24,372 | |
| **Long-term deferred assets (liabilities)** | | | | |
| Property, equipment and capitalized software | | (1,152) | 2,097 | |
| Deferred rent | 14,386 | | 11,537 | |
| Share-based compensation | 12,733 | | 9,510 | |

| | | | | |
|---|---|---|---|---|
| Notes receivable from employees | 14,205 | | 9,998 | |
| Foreign tax credits | 1,838 | | 4,388 | |
| Deferred compensation | | (965) | | (1,260) |
| Goodwill and other intangible asset amortization | | (131,022) | | (113,758) |
| Convertible debt | | (5,209) | | (6,973) |
| Currency translation adjustment | | (1,201) | | |
| All other | 683 | | 684 | |
| **Total long-term deferred tax assets (liabilities)** | $ 43,845 | $ (139,549) | $ 38,214 | $ (121,991) |
| **Total deferred tax assets (liabilities)** | | $ (75,228) | | $ (59,405) |

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As of December 31, 2009, we have not recorded a $14.3 million deferred tax liability related to the tax basis difference in the investment in our foreign subsidiaries as the investment is considered permanent in duration.

We also have $1.8 million of foreign tax credit carryforwards that begin to expire in 2019. Based upon current levels of foreign source income and foreign income taxes, we expect to use the $1.8 million of credits prior to their expiration.

We have not established a valuation allowance for any of our deferred tax assets as we expect that future taxable income as well as the reversal of temporary differences will enable us to fully utilize our deferred tax assets.

The components of Income before income tax provision from continuing operations are as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| Domestic | $ 194,155 | $ 143,505 | $ 107,016 |
| Foreign | 32,870 | 54,916 | 34,866 |
| | $ 227,025 | $ 198,421 | $ 141,882 |

The components of the income tax provision from continuing operations are as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| **Current** | | | |
| Federal | $ 42,911 | $ 58,075 | $ 39,328 |
| State | 14,379 | 13,313 | 10,275 |
| Foreign | 9,743 | 11,838 | 11,715 |
| | 67,033 | 83,226 | 61,318 |
| **Deferred** | | | |
| Federal | $ 15,865 | $ (5,968) | $ (4,639) |
| State | 2,353 | 257 | (1,131) |
| Foreign | (1,252) | | |
| | 16,966 | (5,711) | (5,770) |
| **Income tax provision** | $ 83,999 | $ 77,515 | $ 55,548 |

Our income tax provision from continuing operations resulted in effective tax rates that varied from the statutory federal income tax rate as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| Federal income tax provision at statutory rate | 35.0% | 35.0% | 35.0% |
| State income taxes, net of federal benefit | 4.8 | 4.3 | 4.2 |
| Goodwill amortization on foreign acquisitions deductible for U.S. tax purposes | (2.2) | (2.4) | (3.2) |
| Expenses not deductible for tax purposes | 0.8 | 2.2 | 2.9 |
| All other | (1.4) | | 0.3 |
| | 37.0% | 39.1% | 39.2% |

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At December 31, 2009, we had a net income tax payable of $6.3 million as compared to a net income tax receivable of $4.9 million at December 31, 2008.

We file numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and in many city, state and foreign jurisdictions. We are no longer subject to U.S. federal income tax examinations for years prior to 2006 and are no longer subject to state and local or foreign tax examinations by tax authorities for years prior to 2004. In addition, open tax years related to state and foreign jurisdictions remain subject to examination but are not considered material to our financial position, results of operations or cash flows.

During 2009, there were no material changes to the liability for uncertain tax positions. Interest and penalties related to uncertain tax positions are classified as such and excluded from the income tax provision. As of December 31, 2009, our accrual for the payment of tax-related interest and penalties was not material. We are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits would significantly decrease or increase within the next twelve months. Our liability for uncertain tax positions was $0.4 million and $0.1 million at December 31, 2009 and 2008, respectively.

**17. Stockholders Equity**

**Common Stock**

Holders of our common stock are entitled to one vote per share on all matters submitted for action by the stockholders and share equally, share for share, if dividends are declared on the common stock. In the event of any liquidation, dissolution or winding up of our company or upon the distribution of our assets, all assets and funds remaining after payment in full of our debts and liabilities, and after the payment of all liquidation preferences, if any, applicable to any outstanding preferred stock, would be divided and distributed among the holders of our common stock ratably. There are no redemption or sinking fund requirements applicable to shares of our common stock.

In October 2007, we closed on a public offering of 4,830,000 shares of our common stock (which included 630,000 shares sold pursuant to the exercise of the underwriter s option to purchase additional shares) at a price to the public of $50.00 per share, less the underwriting discounts and commissions. The net proceeds of the offering were $231.4 million, after payment of the underwriting discounts, commissions and offering expenses. We used the net proceeds from the offering for general corporate purposes, including the continuation of our strategic acquisition program.

**Common Stock Repurchase Program**

On November 4, 2009, our Board of Directors authorized a two-year stock repurchase program of up to $500.0 million and terminated the $50.0 million stock repurchase program authorized in February 2009. On November 9, 2009, we entered into an accelerated share buyback agreement ( ASB Agreement ) with an investment bank. On the same day, FTI and the investment bank executed a supplemental confirmation to effect a $250.0 million accelerated stock buyback transaction under the ASB Agreement.

On November 12, 2009, FTI paid $250.0 million to the investment bank and received a substantial majority of the shares to be delivered by the investment bank in the accelerated buyback transaction. On December 10, 2009, FTI received additional shares bringing the total shares delivered in 2009 to 4,874,807 shares of FTI common stock. This transaction was accounted for as two separate transactions, a share repurchase and a forward contract indexed to our own stock.

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The repurchase of shares was accounted for as a share retirement resulting in a reduction of common stock issued and outstanding of 4,874,807 shares and a corresponding reduction in common stock and additional paid-in capital of $250.0 million. Final settlement of the repurchase transaction was scheduled for no later than July 9, 2010 and could occur earlier at the option of the investment bank or later under certain circumstances. On January 22, 2010, FTI received notice that the investment bank exercised its rights to terminate the accelerated buyback transaction. As a result, FTI received an additional 580,784 shares of common stock in January 2010, bringing the total shares repurchased pursuant to the accelerated buyback transaction to 5,455,591 shares at a purchase price of $45.82 per share. No cash was required to complete the final delivery of shares. The additional shares received were accounted for as a share retirement in the first quarter of 2010.

For the year ended December 31, 2009, the forward contract was anti-dilutive as the forward contract represented a contingent number of shares that would be delivered to FTI by the investment bank. As the shares were anti-dilutive, their impact was not considered in the computation of earnings per share for the year ended December 31, 2009 in accordance with the guidance of ASC 260, *Earnings Per Share*. The shares were removed from the count used for the calculation of earnings per share after delivery to FTI.

**18. Employee Benefit Plans**

We maintain a qualified defined contribution 401(k) plan, which covers substantially all of our U.S. employees. Under the plan, participants are entitled to make pre-tax and/or Roth post-tax contributions up to the annual maximums established by the Internal Revenue Service. We match a certain percentage of participant contributions pursuant to the terms of the plan, which contributions are limited to a percent of the participant s eligible compensation. FTI matches each participant s eligible 401(k) plan contributions up to the annual limit specified by the Internal Revenue Service. We made contributions related to the plan of $7.8 million during 2009, $7.1 million during 2008 and $5.6 million during 2007.

We also maintain several defined contribution pension schemes for our employees in the United Kingdom and other foreign countries. The assets of the schemes are held separately from those of FTI in independently administered funds. We contributed $4.9 million to these plans during 2009, $4.7 million during 2008, and $4.4 million during 2007.

**19. Segment Reporting**

We manage our business in five reportable operating segments: Corporate Finance/Restructuring, Forensic and Litigation Consulting, Economic Consulting, Technology and Strategic Communications.

Our Corporate Finance/Restructuring segment focuses on strategic, operational, financial and capital needs of businesses around the world and provides consulting and advisory services on a wide range of areas, including restructuring (including bankruptcy), financings, claims management, mergers and acquisitions, post-acquisition integration, valuations, tax issues and performance improvement.

Our Forensic and Litigation Consulting segment provides law firms, companies, government clients and other interested parties with dispute advisory, investigations, forensic accounting, business intelligence assessments and risk mitigation services.

Our Economic Consulting segment provides law firms, companies, government entities and other interested parties with analysis of complex economic issues for use in legal and regulatory proceedings, strategic decision making and public policy debates in the U.S. and around the world.

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Our Technology segment is a leading electronic discovery and information management software and service provider. It provides products, services and consulting to companies, law firms, courts and government agencies worldwide. Its comprehensive suite of software and services help clients locate, review and produce electronically stored information, including e-mail, computer files, voicemail, instant messaging, and financial and transactional data.

Our Strategic Communications segment provides advice and consulting services relating to financial communications, brand communications, public affairs and reputation management and business consulting.

We evaluate the performance of our operating segments based on operating income excluding depreciation, amortization of other intangible assets, unallocated corporate expenses and including non-operating litigation settlement gains and losses, which we refer to as segment EBITDA. Segment EBITDA consists of the revenues generated by that segment, less the direct costs of revenues and selling, general and administrative costs that are incurred directly by that segment as well as an allocation of certain centrally managed direct costs, such as information technology services, accounting, marketing, human resources and facility costs. Although segment EBITDA is not a measure of financial condition or performance determined in accordance with generally accepted accounting principles, we use it to evaluate and compare the operating performance of our segments and it is one of the primary measures used to determine segment employee cash incentive compensation.

The table below presents revenues and segment EBITDA for our reportable segments for the three years ended December 31, 2009:

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2009** | **2008** | **2007** |
| **Revenues** | | | |
| Corporate Finance/Restructuring | $ 514,260 | $ 374,504 | $ 261,625 |
| Forensic and Litigation Consulting | 259,204 | 253,918 | 217,028 |
| Economic Consulting | 234,723 | 219,883 | 174,447 |
| Technology | 211,680 | 220,359 | 162,837 |
| Strategic Communications | 180,079 | 224,481 | 185,333 |
| Total revenues | $ 1,399,946 | $ 1,293,145 | $ 1,001,270 |
| **Segment EBITDA** | | | |
| Corporate Finance/Restructuring | $ 175,551 | $ 114,178 | $ 71,629 |
| Forensic and Litigation Consulting | 59,581 | 57,493 | 57,292 |
| Economic Consulting | 47,845 | 59,020 | 48,085 |
| Technology | 75,715 | 73,506 | 62,921 |
| Strategic Communications | 24,941 | 51,853 | 44,248 |
| Total segment EBITDA | $ 383,633 | $ 356,050 | $ 284,175 |

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The table below reconciles segment EBITDA to income before income tax provision. Unallocated corporate expenses include primarily indirect costs related to centrally managed administrative functions which have not been allocated to the segments. These administrative costs include costs related to executive management, legal, corporate office support costs, information technology, accounting, marketing, human resources, and company-wide business development functions.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| Segment EBITDA | $ 383,633 | $ 356,050 | $ 284,175 |
| Segment depreciation expense | (22,737) | (20,342) | (14,582) |
| Amortization of intangible assets | (24,701) | (18,824) | (10,615) |
| Unallocated corporate expenses | (72,655) | (81,973) | (77,344) |
| Interest income and other | 8,158 | 8,840 | 8,091 |
| Interest expense | (44,923) | (45,105) | (47,639) |
| Corporate litigation settlement gains (losses) | 250 | (225) | (204) |
| Income before income tax provision | $ 227,025 | $ 198,421 | $ 141,882 |

The table below presents assets by segment. Segment assets primarily include accounts and notes receivable, fixed assets purchased specifically for the segment, goodwill and other intangible assets.

| | December 31, | |
|---|---|---|
| | 2009 | 2008 |
| Corporate Finance/Restructuring | $ 547,091 | $ 556,638 |
| Forensic and Litigation Consulting | 320,720 | 297,785 |
| Economic Consulting | 356,432 | 322,047 |
| Technology | 238,136 | 266,405 |
| Strategic Communications | 436,571 | 397,482 |
| Total segment assets | 1,898,950 | 1,840,357 |
| Unallocated corporate assets | 178,388 | 243,220 |
| Total assets | $ 2,077,338 | $ 2,083,577 |

The table below details information on our revenues for the three years ended December 31, 2009. We do not have a single customer that represents ten percent or more of our consolidated revenues. Revenues have been attributed to location based on the location of the legal entity generating the revenue.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| United States | $ 1,154,112 | $ 1,056,616 | $ 838,941 |
| All foreign countries | 245,834 | 236,529 | 162,329 |

| | | | |
|---|---|---|---|
| Total revenues | $ 1,399,946 | $ 1,293,145 | $ 1,001,270 |

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The table below details information on our long-lived assets at December 31, 2009 and 2008. Long-lived assets have been attributed to geographic location based on the location of the legal entity holding the assets.

| | December 31, 2009 | | December 31, 2008 | |
|---|---|---|---|---|
| | United States | All foreign countries | United States | All foreign countries |
| Property and equipment, net | $ 69,028 | $ 11,650 | $ 69,547 | $ 9,028 |

**20. Supplemental Condensed Consolidating Guarantor and Non-Guarantor Financial Information**

Substantially all of our U.S. subsidiaries are guarantors of borrowings under our senior notes and our convertible notes. The guarantees are full and unconditional and joint and several. All of our guarantors are direct or indirect, wholly-owned subsidiaries. There are no significant restrictions on our ability or the ability of any guarantor to obtain funds from our subsidiaries by dividend or loan.

The following financial information presents condensed consolidating balance sheets, income statements and statements of cash flows for FTI Consulting, Inc., all guarantor subsidiaries, all non-guarantor subsidiaries and the eliminations necessary to arrive at the consolidated information for FTI Consulting, Inc. and its subsidiaries. For purposes of this presentation, we have accounted for our investments in our subsidiaries using the equity method of accounting. The principal eliminating entries eliminate investment in subsidiary and inter-company balances and transactions.

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**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

**Condensed Consolidating Balance Sheet Information as of December 31, 2009**

| | FTI Consulting, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | $ 60,720 | $ 665 | $ 57,487 | $ | $ 118,872 |
| Accounts receivable, net | 102,768 | 143,146 | 41,628 | | 287,542 |
| Intercompany receivables | 58,969 | 335,933 | 120,210 | (515,112) | |
| Other current assets | 69,871 | 17,972 | 8,007 | (2,349) | 93,501 |
| **Total current assets** | 292,328 | 497,716 | 227,332 | (517,461) | 499,915 |
| Property and equipment, net | 46,298 | 22,728 | 11,652 | | 80,678 |
| Goodwill | 426,314 | 530,809 | 238,826 | | 1,195,949 |
| Other intangible assets, net | 8,465 | 118,756 | 48,741 | | 175,962 |
| Investments in subsidiaries | 1,382,550 | 882,833 | 778,478 | (3,043,861) | |
| Other assets | 60,396 | 161,813 | 14,104 | (111,479) | 124,834 |
| **Total assets** | $ 2,216,351 | $ 2,214,655 | $ 1,319,133 | $ (3,672,801) | $ 2,077,338 |
| **Liabilities** | | | | | |
| Intercompany payables | $ 319,905 | $ 99,833 | $ 95,374 | $ (515,112) | $ |
| Other current liabilities | 265,053 | 92,350 | 51,148 | (2,349) | 406,202 |
| **Total current liabilities** | 584,958 | 192,183 | 146,522 | (517,461) | 406,202 |
| Long-term debt, net | 417,012 | 385 | | | 417,397 |
| Other liabilities | 110,167 | 37,671 | 113,166 | (111,479) | 149,525 |
| **Total liabilities** | 1,112,137 | 230,239 | 259,688 | (628,940) | 973,124 |
| **Stockholders equity** | 1,104,214 | 1,984,416 | 1,059,445 | (3,043,861) | 1,104,214 |
| **Total liabilities and stockholders equity** | $ 2,216,351 | $ 2,214,655 | $ 1,319,133 | $ (3,672,801) | $ 2,077,338 |

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

**Condensed Consolidating Balance Sheet Information as of December 31, 2008**

| | FTI Consulting, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | $ 131,412 | $ 11,663 | $ 48,767 | $ | $ 191,842 |
| Accounts receivable, net | 87,859 | 164,198 | 37,983 | | 290,040 |
| Intercompany receivables | 74,743 | 173,048 | 91,030 | (338,821) | |
| Other current assets | 51,748 | 22,512 | 8,111 | (7,865) | 74,506 |
| **Total current assets** | 345,762 | 371,421 | 185,891 | (346,686) | 556,388 |
| Property and equipment, net | 45,089 | 24,457 | 9,029 | | 78,575 |
| Goodwill | 416,302 | 534,100 | 193,059 | | 1,143,461 |
| Other intangible assets, net | 4,284 | 138,976 | 46,044 | | 189,304 |
| Investments in subsidiaries | 1,194,329 | 820,163 | 742,167 | (2,756,659) | |
| Other assets | 62,188 | 146,431 | 8,538 | (101,308) | 115,849 |
| **Total assets** | $ 2,067,954 | $ 2,035,548 | $ 1,184,728 | $ (3,204,653) | $ 2,083,577 |
| **Liabilities** | | | | | |
| Intercompany payables | $ 178,994 | $ 83,024 | $ 76,803 | $ (338,821) | $ |
| Other current liabilities | 251,939 | 111,581 | 52,959 | (7,865) | 408,614 |
| **Total current liabilities** | 430,933 | 194,605 | 129,762 | (346,686) | 408,614 |
| Long-term debt, net | 417,883 | 709 | | | 418,592 |
| Other liabilities | 91,581 | 35,557 | 102,984 | (101,308) | 128,814 |
| **Total liabilities** | 940,397 | 230,871 | 232,746 | (447,994) | 956,020 |
| **Stockholders equity** | 1,127,557 | 1,804,677 | 951,982 | (2,756,659) | 1,127,557 |
| **Total liabilities and stockholders equity** | $ 2,067,954 | $ 2,035,548 | $ 1,184,728 | $ (3,204,653) | $ 2,083,577 |

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

**Condensed Consolidated Income Statement for the Year Ended December 31, 2009**

| | FTI Consulting, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|
| **Revenues** | $ 592,986 | $ 1,179,633 | $ 255,582 | $ (628,255) | $ 1,399,946 |
| **Operating expenses** | | | | | |
| Direct cost of revenues | 320,521 | 907,558 | 159,764 | (620,456) | 767,387 |
| Selling, general and administrative expense | 159,449 | 139,265 | 53,403 | (7,799) | 344,318 |
| Amortization of other intangible assets | 1,604 | 17,865 | 5,232 | | 24,701 |
| | 481,574 | 1,064,688 | 218,399 | (628,255) | 1,136,406 |
| **Operating income** | 111,412 | 114,945 | 37,183 | | 263,540 |
| **Other income (expense)** | (40,294) | 12,656 | (8,877) | | (36,515) |
| **Income before income tax provision** | 71,118 | 127,601 | 28,306 | | 227,025 |
| **Income tax provision** | 28,595 | 51,305 | 4,099 | | 83,999 |
| **Equity in net earnings of subsidiaries** | 100,503 | 19,946 | 8,816 | (129,265) | |
| **Net income** | $ 143,026 | $ 96,242 | $ 33,023 | $ (129,265) | $ 143,026 |

**Condensed Consolidating Statement of Income Information for the Year Ended December 31, 2008**

| | FTI Consulting, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|
| **Revenues** | $ 493,919 | $ 1,143,520 | $ 239,626 | $ (583,920) | $ 1,293,145 |
| **Operating expenses** | | | | | |
| Direct cost of revenues | 276,291 | 872,746 | 136,127 | (576,381) | 708,783 |
| Selling, general and administrative expense | 165,370 | 122,021 | 50,339 | (7,539) | 330,191 |
| Amortization of other intangible assets | 1,125 | 12,438 | 5,261 | | 18,824 |
| | 442,786 | 1,007,205 | 191,727 | (583,920) | 1,057,798 |
| **Operating income** | 51,133 | 136,315 | 47,899 | | 235,347 |
| **Other income (expense)** | (40,675) | 6,724 | (2,975) | | (36,926) |
| **Income before income tax provision** | 10,458 | 143,039 | 44,924 | | 198,421 |
| **Income tax provision** | 4,663 | 62,010 | 10,842 | | 77,515 |
| **Equity in net earnings of subsidiaries** | 115,111 | 34,370 | 10,428 | (159,909) | |
| **Net income** | $ 120,906 | $ 115,399 | $ 44,510 | $ (159,909) | $ 120,906 |

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

**Condensed Consolidating Statement of Income Information for the Year Ended December 31, 2007**

| | FTI Consulting, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|
| **Revenues** | $ 544,360 | $ 701,421 | $ 168,838 | $ (413,349) | $ 1,001,270 |
| **Operating expenses** | | | | | |
| Direct cost of revenues | 304,674 | 571,375 | 87,342 | (411,044) | 552,347 |
| Selling, general and administrative expense | 179,633 | 35,381 | 43,167 | (2,305) | 255,876 |
| Amortization of other intangible assets | 2,006 | 5,028 | 3,581 | | 10,615 |
| | 486,313 | 611,784 | 134,090 | (413,349) | 818,838 |
| **Operating income** | 58,047 | 89,637 | 34,748 | | 182,432 |
| **Other income (expense)** | (42,495) | 2,544 | (599) | | (40,550) |
| **Income before income tax provision** | 15,552 | 92,181 | 34,149 | | 141,882 |
| **Income tax provision** | 6,297 | 37,640 | 11,611 | | 55,548 |
| **Equity in net earnings of subsidiaries** | 77,079 | 25,299 | 2,755 | (105,133) | |
| **Net income** | $ 86,334 | $ 79,840 | $ 25,293 | $ (105,133) | $ 86,334 |

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

**Condensed Consolidating Statement of Cash Flows for the Year Ended December 31, 2009**

| | FTI Consulting, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Consolidated |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Net cash provided by operating activities | $ 55,941 | $ 176,239 | $ 18,589 | $ 250,769 |
| **Investing activities** | | | | |
| Payments for acquisition of businesses, net of cash received | (44,880) | 952 | (2,782) | (46,710) |
| Purchases of short-term investments, net of sales | (15,141) | | | (15,141) |
| Purchases of property and equipment and other | (8,284) | (13,637) | (6,116) | (28,037) |
| Net cash used in investing activities | (68,305) | (12,685) | (8,898) | (89,888) |
| **Financing activities** | | | | |
| Payments of long-term debt and capital lease obligations | (12,967) | (794) | | (13,761) |
| Cash received for settlement of interest rate swaps | 2,288 | | | 2,288 |
| Purchase and retirement of common stock | (250,000) | | | (250,000) |
| Issuance of common stock and other | 16,002 | | | 16,002 |
| Excess tax benefits from share based equity | 5,193 | | | 5,193 |
| Intercompany transfers | 181,156 | (173,758) | (7,398) | |
| Net cash used in financing activities | (58,328) | (174,552) | (7,398) | (240,278) |
| Effects of exchange rate changes and fair value adjustments on cash and cash equivalents | | | 6,427 | 6,427 |
| **Net (decrease) increase in cash and cash equivalents** | (70,692) | (10,998) | 8,720 | (72,970) |
| **Cash and cash equivalents, beginning of year** | 131,412 | 11,663 | 48,767 | 191,842 |
| **Cash and cash equivalents, end of year** | $ 60,720 | $ 665 | $ 57,487 | $ 118,872 |

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

**Condensed Consolidating Statement of Cash Flow Information for the Year Ended December 31, 2008**

| | FTI Consulting, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Consolidated |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Net cash provided by operating activities | $ 72,352 | $ 70,977 | $ 54,151 | $ 197,480 |
| **Investing activities** | | | | |
| Payments for acquisition of businesses, net of cash received | (333,830) | (2,700) | (6,639) | (343,169) |
| Purchases of property and equipment and other | (15,464) | (9,068) | (6,439) | (30,971) |
| Net cash used in investing activities | (349,294) | (11,768) | (13,078) | (374,140) |
| **Financing activities** | | | | |
| Payment of short-term borrowings of acquired subsidiary | | (2,275) | | (2,275) |
| Payment of long-term debt | (8,261) | (483) | | (8,744) |
| Issuance of common stock and other | 20,450 | | | 20,450 |
| Excess tax benefits from share based equity | 10,820 | | | 10,820 |
| Intercompany transfers | 56,785 | (46,061) | (10,724) | |
| Net cash provided by (used in) financing activities | 79,794 | (48,819) | (10,724) | 20,251 |
| Effects of exchange rate changes and fair value adjustments on cash and cash equivalents | 55 | | (12,267) | (12,212) |
| **Net (decrease) increase in cash and cash equivalents** | (197,093) | 10,390 | 18,082 | (168,621) |
| **Cash and cash equivalents, beginning of year** | 328,505 | 1,273 | 30,685 | 360,463 |
| **Cash and cash equivalents, end of year** | $ 131,412 | $ 11,663 | $ 48,767 | $ 191,842 |

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

**Condensed Consolidating Statement of Cash Flow Information for the Year Ended December 31, 2007**

| | FTI Consulting, Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Consolidated |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Net cash provided by operating activities | $ 13,491 | $ 45,576 | $ 9,283 | $ 68,350 |
| **Investing activities** | | | | |
| Payments for acquisition of businesses, net of cash received | (1,402) | (8,466) | (21,989) | (31,857) |
| Purchases of property and equipment and other | (27,890) | (2,897) | (5,153) | (35,940) |
| Net cash used in investing activities | (29,292) | (11,363) | (27,142) | (67,797) |
| **Financing activities** | | | | |
| Capital contributions | (313,649) | 260,821 | 52,828 | |
| Purchase and retirement of common stock | (18,118) | | | (18,118) |
| Intercompany transfers | 318,292 | (297,353) | (20,939) | |
| Issuance of common stock | 231,408 | | | 231,408 |
| Other | 56,363 | | | 56,363 |
| Net cash provided by (used in) financing activities | 274,296 | (36,532) | 31,889 | 269,653 |
| Effects of exchange rate changes and fair value adjustments on cash | | | (1,666) | (1,666) |
| **Net increase (decrease) in cash and cash equivalents** | 258,495 | (2,319) | 12,364 | 268,540 |
| **Cash and cash equivalents, beginning of year** | 70,010 | 3,592 | 18,321 | 91,923 |
| **Cash and cash equivalents, end of year** | $ 328,505 | $ 1,273 | $ 30,685 | $ 360,463 |

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**FTI Consulting, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements, Continued**

(dollar and share amounts in tables expressed in thousands, except per share data)

**21. Quarterly Financial Data (unaudited)**

| | Quarter Ended | | | |
|---|---|---|---|---|
| | **March 31** | **June 30** | **September 30** | **December 31** |
| **2009** | | | | |
| **Revenues** | $ 347,846 | $ 360,525 | $ 348,637 | 342,938 |
| **Operating expenses** | | | | |
| Direct cost of revenues | 192,412 | 194,181 | 193,204 | 187,590 |
| Selling, general and administrative expenses | 88,753 | 88,842 | 84,976 | 81,747 |
| Amortization of other intangible assets | 6,050 | 6,149 | 6,171 | 6,331 |
| | 287,215 | 289,172 | 284,351 | 275,668 |
| **Operating income** | 60,631 | 71,353 | 64,286 | 67,270 |
| **Interest income and other** | 2,053 | 702 | 3,330 | 2,073 |
| **Interest expense** | (11,013) | (11,030) | (11,434) | (11,446) |
| **Litigation settlement gains, net** | 250 | | | |
| **Income before income tax provision** | 51,921 | 61,025 | 56,182 | 57,897 |
| **Income tax provision** | 20,249 | 23,800 | 18,626 | 21,324 |
| **Net income** | $ 31,672 | $ 37,225 | $ 37,556 | $ 36,573 |
| **Earnings per common share basic** | $ 0.63 | $ 0.74 | $ 0.74 | $ 0.75 |
| **Earnings per common share diluted** | $ 0.60 | $ 0.69 | $ 0.70 | $ 0.71 |
| **Weighted average common shares outstanding** | | | | |
| Basic | 50,171 | 50,384 | 50,696 | 48,612 |
| Diluted | 52,979 | 53,835 | 53,896 | 51,433 |
| **2008** | | | | |
| **Revenues** | $ 307,102 | $ 337,670 | $ 325,497 | $ 322,876 |
| **Operating expenses** | | | | |
| Direct cost of revenues | 173,404 | 188,990 | 175,309 | 171,080 |
| Selling, general and administrative expenses | 72,697 | 77,779 | 91,513 | 88,202 |
| Amortization of other intangible assets | 2,898 | 4,457 | 5,664 | 5,805 |
| | 248,999 | 271,226 | 272,486 | 265,087 |
| **Operating income** | 58,103 | 66,444 | 53,011 | 57,789 |

| | | | | |
|---|---|---|---|---|
| **Interest income and other** | 3,545 | 2,049 | 1,942 | 1,304 |
| **Interest expense** | (11,599) | (11,307) | (10,942) | (11,257) |
| **Litigation settlement (losses) gains, net** | (1) | (435) | (275) | 50 |
| **Income before income tax provision** | 50,048 | 56,751 | 43,736 | 47,886 |
| **Income tax provision** | 19,852 | 22,543 | 17,383 | 17,737 |
| **Net income** | $ 30,196 | $ 34,208 | $ 26,353 | $ 30,149 |
| **Earnings per common share basic** | $ 0.62 | $ 0.70 | $ 0.53 | $ 0.61 |
| **Earnings per common share diluted** | $ 0.57 | $ 0.64 | $ 0.48 | $ 0.56 |
| **Weighted average common shares outstanding** | | | | |
| Basic | 48,325 | 49,155 | 49,541 | 49,738 |
| Diluted | 52,717 | 53,700 | 54,460 | 53,411 |

The sum of the quarterly earnings per share amounts may not equal the annual amounts due to changes in the weighted-average number of common shares outstanding during each quarterly period.

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**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**
None.

**ITEM 9A. CONTROLS AND PROCEDURES**
**Evaluation of Disclosure Controls and Procedures**

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this Annual Report on Form 10-K was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act is timely recorded, processed, summarized and reported and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

**Management s Report on Internal Control over Financial Reporting**

Management s report on internal control over financial reporting is included in Item 8. Financial Statements and Supplementary Data.

**Changes in Internal Control over Financial Reporting**

There have not been any changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**
None

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## PART III

Certain information required in Part III is omitted from this report, but is incorporated herein by reference from our definitive proxy statement for the 2010 Annual Meeting of Stockholders to be filed within 120 days after the end of our fiscal year ended December 31, 2009, pursuant to Regulation 14A with the Securities and Exchange Commission.

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained in our proxy statement under the captions Information About the Board of Directors and Committees, Corporate Governance, Executive Officers and Compensation, and Section 16(a) Beneficial Ownership Reporting Compliance is incorporated herein by reference.

We have adopted the FTI Consulting, Inc. Policy on Ethics and Business Conduct, or Code of Ethics, which applies to our chairman of the board, president, chief executive officer, chief financial officer, corporate controller and our other financial professionals, as well as our chief operating officer, chief administrative officer, general counsel and chief risk officer and our other officers, directors, employees and independent contractors. The Code of Ethics is publicly available on our website at *http://www.fticonsulting.com*. If we make any substantive amendments to the Code of Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics to our chairman of the board, president, chief executive officer, chief operating officer, chief financial officer, corporate controller or persons performing similar functions, other executive officers or directors, we will disclose the nature of such amendment or waiver on that website or in a report on Form 8-K filed with the SEC. We will provide a copy of our Code of Ethics without charge upon request to our Corporate Secretary, FTI Consulting, Inc., 500 East Pratt Street, Suite 1400, Baltimore, Maryland 21202.

### ITEM 11. EXECUTIVE COMPENSATION

The information contained in our proxy statement under the caption Executive Officers and Compensation is incorporated herein by reference.

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information contained in our proxy statement under the captions Security Ownership of Certain Beneficial Owners and Management and this Annual Report on Form 10-K under the caption Part II Item 5. Market for the Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities Securities Authorized for Issuance under Equity Compensation Plans is incorporated herein by reference.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information contained in our proxy statement under the captions Executive Officers and Compensation Certain Relationships and Related Party Transactions, Information About the Board of Directors and Committees and Corporate Governance is incorporated herein by reference.

### ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information contained in our proxy statement under the caption Auditor Services is incorporated herein by reference.

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## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE

(a) (1) The following financial statements are included in this Annual Report on Form 10-K:

Management s Report on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm Internal Control over Financial Reporting

Reports of Independent Registered Public Accounting Firm Consolidated Financial Statements

Consolidated Balance Sheets December 31, 2009 and 2008

Consolidated Statements of Income Years Ended December 31, 2009, 2008 and 2007

Consolidated Statements of Stockholders Equity and Comprehensive Income Years Ended December 31, 2009, 2008 and 2007

Consolidated Statements of Cash Flows Years Ended December 31, 2009, 2008 and 2007

Notes to Consolidated Financial Statements

(2) The following financial statement schedule is included in this Annual Report on Form 10-K:

Schedule II Valuation and Qualifying Accounts

All schedules, other than the schedule listed above, are omitted as the information is not required or is otherwise furnished.

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**FTI Consulting, Inc. and Subsidiaries**

**Schedule II Valuation and Qualifying Accounts**

**(in thousands)**

| Description | Balance at Beginning of Period | Additions: Charged to Expense | Additions: Charged to Other Accounts * | Deductions ** | Balance at End of Period |
|---|---|---|---|---|---|
| **Year Ended December 31, 2009** | | | | | |
| Reserves and allowances deducted from asset accounts: | | | | | |
| Allowance for doubtful accounts and unbilled services | $ 45,309 | $ 19,866 | $ 11,513 | $ 17,360 | $ 59,328 |
| **Year Ended December 31, 2008** | | | | | |
| Reserves and allowances deducted from asset accounts: | | | | | |
| Allowance for doubtful accounts and unbilled services | $ 30,467 | $ 22,474 | $ 5,852 | $ 13,484 | $ 45,309 |
| **Year Ended December 31, 2007** | | | | | |
| Reserves and allowances deducted from asset accounts: | | | | | |
| Allowance for doubtful accounts and unbilled services | $ 20,351 | $ 11,777 | $ 6,319 | $ 7,980 | $ 30,467 |

* Includes estimated provision for unbilled services recorded as a reduction to revenues (i.e., fee, rate and other adjustments).

** Includes estimated direct write-offs of uncollectible and unrealizable accounts receivable.

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| Exhibit Number | Description of Exhibits |
|---|---|
| 1.1** | Purchase Agreement, dated as of July 28, 2005, by and among FTI Consulting, Inc., the guarantors named therein and the Initial Purchasers named therein, relating to the 7 $^{5}/8$% Senior Notes due 2013. (Filed with the Securities and Exchange Commission on August 3, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 28, 2005 and incorporated herein by reference.) |
| 1.2** | Purchase Agreement, dated as of July 28, 2005, by and among FTI Consulting, Inc., the guarantors named therein and the Initial Purchasers named therein, relating to the 3 $^{3}/4$% Senior Subordinated Convertible Notes due July 15, 2012. (Filed with the Securities and Exchange Commission on August 3, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 28, 2005 and incorporated herein by reference.) |
| 1.3** | Purchase Agreement dated September 27, 2006, by and among FTI Consulting, Inc., the Guarantors named therein and the Initial Purchasers named therein, relating to the 7 $^{3}/4$% Senior Notes due 2016. (Filed with the Securities and Exchange Commission, on October 3, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K/A (Amendment No. 2) dated September 27, 2006 and incorporated herein by reference.) |
| 1.4 | Underwriting Agreement dated October 3, 2007, by and among FTI Consulting, Inc. and Deutsche Bank Securities Inc., Banc of America Securities LLC and Goldman, Sachs & Co. (Filed with the Securities and Exchange Commission on October 3, 2007 as an exhibit to FTI Consulting, Inc. s Post-Effective Amendment to Registration Statement on Form S-3 (333-146366) dated October 3, 2007 and incorporated herein by reference.) |
| 2.1** | Agreement for the Purchase and Sale of Assets dated as of July 24, 2002, by and between PricewaterhouseCoopers LLP and FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on July 26, 2002 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 24, 2002 and incorporated herein by reference.) |
| 2.2** | LLC Membership Interests Purchase Agreement dated as of January 31, 2000, by and among FTI Consulting, Inc., and Michael Policano and Robert Manzo. (Filed with the Securities and Exchange Commission on February 15, 2000 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated February 4, 2000 and incorporated herein by reference.) |
| 2.3** | Asset Purchase Agreement dated October 22, 2003, by and among KPMG LLP, DAS Business LLC and FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on November 14, 2003 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 3, 2003 and incorporated herein by reference.) |
| 2.4** | Asset Purchase Agreement dated September 25, 2003, by and among FTI Consulting, Inc., LI Acquisition Company, LLC, Nextera Enterprises, Inc., Lexecon Inc., CE Acquisition Corp. and ERG Acquisition Corp. (Filed with the Securities and Exchange Commission on October 2, 2003 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated September 25, 2003 and incorporated herein by reference.) |
| 2.5** | Asset Purchase Agreement dated February 16, 2005, by and among FTI Consulting, Inc., FTI, LLC, FTI Repository Services, LLC, FTI Consulting Ltd., FTI Australia Pty Ltd, Edward J. O Brien and Christopher R. Priestley, Messrs. Edward J. O Brien and Christopher R. Priestley trading as the Ringtail Suite Partnership, Ringtail Solutions Pty Ltd, on its behalf and as trustee for Ringtail Unit Trust, Ringtail Solutions, Inc. and Ringtail Solutions Limited. (Filed with the Securities and Exchange Commission on February 23, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated February 16, 2005 and incorporated herein by reference.) |

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| Exhibit Number | Description of Exhibits |
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| 2.6** | Asset Purchase Agreement, dated as of May 23, 2005, by and among Cambio Health Solutions, LLC, Cambio Partners, LLC, each of the individuals named in Exhibit A thereto that becomes a party thereto prior to the Closing (as defined therein) by executing a joinder agreement on or after the date thereof, FTI Consulting, Inc, FTI, LLC, FTI Cambio LLC, and the Seller Representative (as defined therein). (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated May 23, 2005 and incorporated herein by reference.) |
| 2.7** | Purchase Agreement, dated as of November 15, 2005, by and among FTI Compass, LLC, a Maryland limited liability company, FTI Consulting, Inc., a Maryland corporation, FTI, LLC, a Maryland limited liability company, Competition Policy Associates, Inc., a District of Columbia corporation (the Company ), and the stockholders of the Company listed on Schedule I thereto. (Filed with the Securities and Exchange Commission on November 19, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 22, 2005 and incorporated by reference herein.) |
| 2.8 | Form of Irrevocable Undertaking entered into by Controlling Shareholder Group of FD International (Holdings) Limited. (Filed with the Securities and Exchange Commission on October 10, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 3, 2006 and incorporated herein by reference.) |
| 2.9 | Form of Irrevocable Undertaking entered into by Executive Officers of FD International (Holdings) Limited. (Filed with the Securities and Exchange Commission on October 10, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 3, 2006 and incorporated herein by reference.) |
| 2.10 | Form of Irrevocable Undertaking entered into by Other Shareholders of FD International (Holdings) Limited. (Filed with the Securities and Exchange Commission on October 10, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 3, 2006 and incorporated herein by reference.) |
| 2.11 | Warranty Deed dated as of September 11, 2006 between FTI FD LLC and the Warrantors named therein. (Filed with the Securities and Exchange Commission on October 10, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 3, 2006 and incorporated herein by reference.) |
| 2.12** | Asset Purchase Agreement dated March 31, 2008 by and among FTI Consulting, Inc., FTI SMC Acquisition LLC, The Schonbraun McCann Consulting Group LLC, the individuals listed on Schedule I thereto and Bruce Schonbraun as the Members Representative. The registrant has requested confidential treatment with respect to certain portions of this exhibit pursuant to Rule 24b-2 of the Securities Act. Such portions have been omitted from this exhibit and filed separately with the Securities and Exchange Commission. (Filed with the SEC on April 4, 2008 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated March 31, 2008 and incorporated herein by reference.) |
| 2.13** | Agreement and Plan of Merger, dated as of June 9, 2008, by and among FTI Consulting, Inc., Attenex Corporation, Ace Acquisition Corporation, and Richard B. Dodd and William McAleer, as the Shareholder Representatives. (Filed with the SEC on June 12, 2008 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated June 9, 2008 and incorporated herein by reference.) |
| 3.1 | Articles of Incorporation of FTI Consulting, Inc., as amended and restated. (Filed with the Securities and Exchange Commission on May 23, 2003 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated May 21, 2003 and incorporated herein by reference.) |

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| Exhibit Number | Description of Exhibits |
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| 3.2 | By-laws of FTI Consulting, Inc., as amended and restated through September 17, 2004. (Filed with the SEC on November 9, 2004 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.) |
| 3.3 | Amendment No. 6 to By-Laws of FTI Consulting, Inc. dated as of December 18, 2008. (Filed with the Securities and Exchange Commission on December 22, 2008 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated December 18, 2008 and incorporated herein by reference.) |
| 3.4 | Amendment No. 7 to By-Laws of FTI Consulting, Inc. dated as of February 25, 2009. (Filed with the Securities and Exchange Commission on March 3, 2009 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated February 25, 2009 and incorporated herein by reference.) |
| 4.1 | Indenture dated August 2, 2005 among FTI Consulting, Inc., the guarantors named therein and Wilmington Trust Company, as trustee, relating to 7 $^{5}/8$% Senior Notes due 2013. (Filed with the SEC on August 3, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 28, 2005 and incorporated herein by reference.) |
| 4.2 | Indenture, dated as of August 2, 2005, by and among FTI Consulting, Inc., the guarantors named therein and Wilmington Trust Company, as trustee, relating to 3 $^{3}/4$% Senior Subordinated Convertible Notes due July 15, 2012. (Filed with the Securities and Exchange Commission on August 3, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 28, 2005 and incorporated herein by reference.) |
| 4.3 | Form of Note (included as Exhibit A to Exhibit 4.1). (Filed with the Securities and Exchange Commission on August 3, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 28, 2005 and incorporated herein by reference.) |
| 4.4 | Registration Rights Agreement, dated as of August 2, 2005, among FTI Consulting, Inc., Goldman, Sachs & Co. and Banc of America Securities LLC. (Filed with the Securities and Exchange Commission on August 3, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 28, 2005 and incorporated herein by reference.) |
| 4.5 | First Supplemental Indenture relating to the 7 $^{5}/8$% Senior Notes due 2013, dated as of December 16, 2005, by and among FTI Consulting, Inc., the guarantors names therein, FTI Compass, LLC, FTI Investigations, LLC and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on January 13, 2006 as an exhibit to FTI Consulting, Inc. s Amendment no. 1 to its Registration Statement on Form S-3 and incorporated herein by reference.) |
| 4.6 | First Supplemental Indenture relating to the 3 $^{3}/4$% Senior Subordinated Convertible Notes due July 15, 2012, dated as of December 16, 2005, by and among FTI Consulting, Inc., the guarantors named therein, FTI Compass, LLC, FTI Investigations, LLC and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on January 13, 2006 as an exhibit to FTI Consulting, Inc. s Amendment no. 1 to its Registration Statement on Form S-3 and incorporated herein by reference.) |
| 4.7 | Second Supplemental Indenture relating to the 3 $^{3}/4$% Senior Subordinated Convertible Notes due July 15, 2012, dated as of February 22, 2006, by and among FTI Consulting, Inc., the guarantors named therein, Competition Policy Associates, Inc. and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on February 24, 2006 as an exhibit to FTI Consulting, Inc. s Post-Effective Amendment no. 2 to its Registration Statement on Form S-3 and incorporated herein by reference.) |

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| Exhibit Number | Description of Exhibits |
|---|---|
| 4.8 | Second Supplemental Indenture relating to 7 5/8% Senior Notes due 2013, dated as of February 22, 2006, by and among FTI Consulting, Inc., Competition Policy Associates, Inc., a District of Columbia corporation, the other guarantors named therein, and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on November 9, 2006 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and incorporated herein by reference.) |
| 4.9 | Third Supplemental Indenture relating to 7 5/8% Senior Notes due 2013, dated as of September 15, 2006, by and among FTI Consulting, Inc., FTI International Risk, LLC, a Maryland limited liability company, International Risk Limited, a Delaware corporation, the other guarantors named therein, and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on November 9, 2006 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and incorporated herein by reference.) |
| 4.10 | Third Supplemental Indenture relating to 3 3/4% Convertible Senior Subordinated Notes due July 15, 2012, dated as of September 15, 2006, by and among FTI Consulting, Inc., FTI International Risk, LLC, a Maryland limited liability company, International Risk Limited, a Delaware corporation, the other guarantors named therein, and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on November 9, 2006 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and incorporated herein by reference.) |
| 4.11 | Indenture dated as of October 3, 2006, relating to the 7 3/ 4% Senior Notes due 2016, by and among FTI Consulting, Inc., the guarantors named therein and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on October 10, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 3, 2006 and incorporated herein by reference.) |
| 4.12 | Form of Note relating to 7 3/4% Senior Notes due 2016. (Filed with the Securities and Exchange Commission on October 10, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 3, 2006 and incorporated herein by reference.) |
| 4.13 | Form of Put and Call Option Agreement. (Filed with the Securities and Exchange Commission on October 10, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 3, 2006 and incorporated herein by reference.) |
| 4.14 | Fourth Supplemental Indenture relating to 7 5/8% Senior Notes due 2013, dated as of September 15, 2006, by and among FTI Consulting, Inc., FTI FD LLC, a Maryland limited liability company, FTI BKS Acquisition LLC, a Maryland limited liability company, the other guarantors named therein, and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.) |
| 4.15 | Fourth Supplemental Indenture relating to 3 3/4% Convertible Senior Subordinated Notes due July 15, 2012, dated as of November 7, 2006, by and among FTI Consulting, Inc., FTI FD LLC, a Maryland limited liability company, FTI BKS Acquisition LLC, a Maryland limited liability company, the other guarantors named therein, and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.) |

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| **Exhibit**<br>**Number** | **Description of Exhibits** |
|---|---|
| 4.16 | First Supplemental Indenture relating to the 7 $^{3}$/4% Senior Notes due 2016, dated as of December 11, 2006, by and among FTI Consulting, Inc., FD U.S. Communications Inc., a New York corporation, FD MWA Holdings, Inc., a Delaware corporation, Dittus Communications Inc., a District of Columbia corporation, International Risk Limited, a Delaware Corporation, FTI Holder LLC, a Maryland limited liability company, the other guarantors named therein, and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.) |
| 4.17 | Fifth Supplemental Indenture relating to 7 $^{5}$/8% Senior Notes due 2013, dated as of December 7, 2006, by and among FTI Consulting, Inc., FD U.S. Communications Inc., a New York corporation, FD MWA Holdings, Inc., a Delaware corporation, Dittus Communications Inc., a District of Columbia corporation, FTI Holder LLC, a Maryland limited liability company, the other guarantors named therein, and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.) |
| 4.18 | Fifth Supplemental Indenture relating to 3 $^{3}$/4% Convertible Senior Subordinated Notes due July 15, 2012, dated as of December 7, 2006, by and among FTI Consulting, Inc., FD U.S. Communications Inc., a New York corporation, FD MWA Holdings, Inc., a Delaware corporation, Dittus Communications Inc., a District of Columbia corporation, FTI Holder LLC, a Maryland limited liability company, and the other guarantors named therein, and Wilmington Trust Company. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.) |
| 4.19 | Release entered into as of January 2, 2007 by Wilmington Trust Company in favor of Teklicon, Inc. releasing Teklicon s unconditional guarantee of FTI Consulting, Inc. s obligations under its 7 $^{5}$/8% Senior Notes due 2013. (Filed with the Securities and Exchange Commission on May 9, 2007 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 and incorporated herein by reference.) |
| 4.20 | Release entered into as of January 2, 2007 by Wilmington Trust Company in favor of Teklicon, Inc. releasing Teklicon s unconditional guarantee of FTI Consulting, Inc. s obligations under its 3 $^{3}$/4% Convertible Senior Subordinated Notes due July 15, 2012. (Filed with the Securities and Exchange Commission on May 9, 2007 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 and incorporated herein by reference.) |
| 4.21 | Release entered into as of January 2, 2007 by Wilmington Trust Company in favor of Teklicon, Inc. releasing Teklicon s unconditional guarantee of FTI Consulting, Inc. s obligations under its 7 $^{3}$/4% Senior Notes due 2016. (Filed with the Securities and Exchange Commission on May 9, 2007 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 and incorporated herein by reference.) |
| 4.22 | Sixth Supplemental Indenture relating to 7 $^{5}$/8% Senior Notes due 2013, dated as of December 27, 2007, among FTI Consulting, Inc., FTI General Partner LLC, a Maryland limited liability company, Stratcom Hispanic, Inc., a Florida corporation, FTI Consulting LLC, a Maryland limited liability company, FTI Hosting LLC, a Maryland limited liability company, Ashton Partners, LLC, an Illinois limited liability company, and FTI US LLC, a Maryland limited liability company, the other Guarantors and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on February 29, 2008 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference.) |

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| Exhibit Number | Description of Exhibits |
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| 4.23 | Sixth Supplemental Indenture relating to 3 3/4% Convertible Senior Subordinated Notes due July 15, 2012, among FTI Consulting, Inc., FTI General Partner LLC, a Maryland limited liability company, Stratcom Hispanic, Inc., a Florida corporation, FTI Consulting LLC, a Maryland limited liability company, FTI Hosting LLC, a Maryland limited liability company, Ashton Partners, LLC, an Illinois limited liability company, and FTI US LLC, a Maryland limited liability company, the other Guarantors and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on February 29, 2008 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference.) |
| 4.24 | Second Supplemental Indenture relating to the 7 3/4% Senior Notes due 2016, dated as of December 31, 2007, by and among FTI Consulting, Inc., FTI General Partner LLC, a Maryland limited liability company, Stratcom Hispanic, Inc., Florida corporation, FTI Consulting LLC, a Maryland limited liability company, FTI Hosting LLC, a Maryland limited liability company, Ashton Partners, LLC, a Illinois limited liability company, and FTI US LLC, a Maryland limited liability company, the other Guarantors and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on February 29, 2008 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference.) |
| 4.25 | Seventh Supplemental Indenture relating to 7 5/8% Senior Notes due 2013, dated as of May 23, 2008, among FTI RMCG Acquisition LLC, a Maryland limited liability company, FTI SMC Acquisition LLC, a Maryland limited liability company, and RMCG Consulting, Inc., a Florida corporation, FTI Consulting, Inc., a Maryland corporation, the other Guarantors (as defined in the Indenture referred to therein) and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.) |
| 4.26 | Seventh Supplemental Indenture relating to 3 3/4% Convertible Senior Subordinated Notes due July 15, 2012, dated as of May 23, 2008 among FTI RMCG Acquisition LLC, a Maryland limited liability company, FTI SMC Acquisition LLC, a Maryland limited liability company, and RMCG Consulting, Inc., a Florida corporation, FTI Consulting, Inc., a Maryland corporation, the other Guarantors (as defined in the Indenture referred to therein) and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on November 6, 2008as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.) |
| 4.27 | Eighth Supplemental Indenture relating to 7 5/8% Senior Notes due 2013, dated as of September 24, 2008, among Attenex Corporation, a Washington corporation and FD Kinesis, LLC, a New Jersey limited liability company, FTI Consulting, Inc., a Maryland corporation (the *Company* ), the other Guarantors (as defined in the Indenture referred to therein) and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.) |
| 4.28 | Eighth Supplemental Indenture relating to 3 3/4% Convertible Senior Subordinated Notes due July 15, 2012, dated as of September 24, 2008, among Attenex Corporation, a Washington corporation and FD Kinesis, LLC, a New Jersey limited liability company, FTI Consulting, Inc., a Maryland corporation, the other Guarantors (as defined in the Indenture referred to therein) and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.) |

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| **Exhibit Number** | **Description of Exhibits** |
|---|---|
| 4.29 | Third Supplemental Indenture relating to the 7 3/4% Senior Notes due 2016, dated as of May 22, 2008, among FTI RMCG Acquisition LLC, a Maryland limited liability company, FTI SMC Acquisition LLC, a Maryland limited liability company, and RMCG Consulting, Inc., a Florida corporation, FTI Consulting, Inc., a Maryland corporation, the other Guarantors (as defined in the Indenture referred to therein) and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.) |
| 4.30 | Fourth Supplemental Indenture relating to the 7 3/4% Senior Notes due 2016, dated as of September 26, 2008, among Attenex Corporation, a Washington corporation and FD Kinesis, LLC, a New Jersey limited liability company, FTI Consulting, Inc., a Maryland corporation, the other Guarantors (as defined in the Indenture referred to therein) and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.) |
| 4.31 | Ninth Supplemental Indenture relating to 7 5/8% Senior Notes due 2013, dated as of May 15, 2009, among FTI CXO Acquisition LLC, a Maryland limited liability company, and FTI Consulting Canada LLC, a Maryland limited liability company, FTI Consulting, Inc., a Maryland corporation, the other Guarantors (as defined in the Indenture referred to therein) and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on August 10, 2009 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 and incorporated herein by reference.) |
| 4.32 | Ninth Supplemental Indenture relating to 3 3/4% Convertible Senior Subordinated Notes due July 15, 2012, dated as of May 15, 2009, among FTI CXO Acquisition LLC, a Maryland limited liability company, and FTI Consulting Canada LLC, a Maryland limited liability company, FTI Consulting, Inc., a Maryland corporation, the other Guarantors (as defined in the Indenture referred to therein) and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on August 10, 2009 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 and incorporated herein by reference.) |
| 4.33 | Fifth Supplemental Indenture relating to 7 3/4% Senior Notes due 2016, dated as of May 12, 2009, among FTI CXO Acquisition LLC, a Maryland limited liability company, and FTI Consulting Canada LLC, a Maryland limited liability company, FTI Consulting, Inc., a Maryland corporation, the other Guarantors (as defined in the Indenture referred to therein) and Wilmington Trust Company, as trustee. (Filed with the Securities and Exchange Commission on August 10, 2009 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 and incorporated herein by reference.) |
| 10.1* | 1992 Stock Option Plan, as amended. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc. s Registration Statement on Form SB-1, as amended (File No. 333-2002), and incorporated herein by reference.) |
| 10.2* | 1997 Stock Option Plan, as amended. (Filed with the Securities and Exchange Commission on April 10, 2002 as an exhibit to FTI Consulting, Inc. s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.) |
| 10.3* | Employee Stock Purchase Plan, as amended. (Filed with the Securities and Exchange Commission on April 7, 2004 as an exhibit to FTI Consulting, Inc. s definitive proxy statement on Schedule 14A and incorporated herein by reference.) |

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| 10.4* | Employment Agreement dated as of November 5, 2002, between FTI Consulting, Inc. and Jack B. Dunn, IV. (Filed with the Securities and Exchange Commission on March 27, 2003 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.) |
| 10.5* | Employment Agreement dated as of November 5, 2002, between FTI Consulting, Inc. and Stewart J. Kahn. (Filed with the Securities and Exchange Commission on March 27, 2003 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.) |
| 10.6* | Employment Agreement dated as of November 5, 2002, between FTI Consulting, Inc. and Theodore I. Pincus. (Filed with the Securities and Exchange Commission on March 27, 2003 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.) |
| 10.7** | Amended and Restated Credit Agreement, dated as of November 28, 2003, among FTI Consulting, Inc. and its subsidiaries named therein and Bank of America, N.A, as administrative agent and the other lenders named therein. (Filed with the Securities and Exchange Commission on December 12, 2003 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 28, 2003 and incorporated herein by reference.) |
| 10.8** | First Amendment dated as of April 19, 2005, to the Amended and Restated Credit Agreement dated November 28, 2003, by and among FTI Consulting, Inc., a Maryland corporation, the Guarantors identified on the signature pages, the Lenders identified on the signature pages, and Bank of America, N.A., as administrative agent. Exhibits, schedules (or similar attachments) to the Credit Agreement are not filed. FTI Consulting Inc. will furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request. (Filed with the Securities and Exchange Commission on April 22, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated April 19, 2005 and incorporated herein by reference.) |
| 10.9** | Second Amendment, dated as of August 2, 2005, to the Amended and Restated Credit Agreement, dated as of November 28, 2003, by and among FTI, the guarantors named therein, Bank of America, N.A., as administrative agent, and the lenders named therein. (Filed with the Securities and Exchange Commission on August 3, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 28, 2005 and incorporated herein by reference.) |
| 10.10 | Amended and Restated Pledge Agreement, dated as of November 28, 2003, among the pledgors named therein and Bank of America, N.A, as Administrative Agent. (Filed with the Securities and Exchange Commission on December 12, 2003 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 28, 2003 and incorporated herein by reference.) |
| 10.11 | Amended and Restated Security Agreement, dated as of November 28, 2003, among the grantors named therein and Bank of America, N.A, as Administrative Agent. (Filed with the Securities and Exchange Commission on December 12, 2003 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 28, 2003 and incorporated herein by reference.) |
| 10.12 | Registration Rights Agreement dated as of August 30, 2002, by and between FTI Consulting, Inc., PricewaterhouseCoopers LLP and the other signatories thereto. (Filed with the Securities and Exchange Commission on September 13, 2002 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated August 30, 2002 and incorporated herein by reference.) |
| 10.13 | Transition Services Agreement dated as of August 30, 2002, by and between PricewaterhouseCoopers LLP and FTI Consulting, Inc. (Filed with the Securities Exchange Commission on September 13, 2002 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated August 30, 2002 and incorporated herein by reference.) |

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| 10.14* | Employment Agreement dated September 20, 2004 between FTI Consulting, Inc. and Dennis J. Shaughnessy. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.) |
| 10.15* | Restricted Stock Agreement between FTI Consulting, Inc. and Dennis J. Shaughnessy dated October 18, 2004. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.) |
| 10.16* | Incentive Stock Option Agreement between FTI Consulting, Inc. and Dennis J. Shaughnessy dated October 18, 2004. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 filed and incorporated herein by reference.) |
| 10.17* | Amendment dated September 23, 2004 to the Employment Agreement dated November 5, 2002 between FTI Consulting, Inc. and Jack B. Dunn, IV. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 filed with the SEC on November 9, 2004 and incorporated herein by reference.) |
| 10.18* | Restricted Stock Agreement between FTI Consulting, Inc. and Jack B. Dunn, IV, dated September 23, 2004. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.) |
| 10.19* | Employment Agreement dated as of November 1, 2005 between Dominic DiNapoli and FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on November 2, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 1, 2005 and incorporated herein by reference.) |
| 10.20* | Restricted Stock Agreement between FTI Consulting, Inc. and Dominic DiNapoli, dated as of November 1, 2005. (Filed with the Securities and Exchange Commission on November 2, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 1, 2005 and incorporated herein by reference.) |
| 10.21* | Incentive Stock Option Agreement between FTI Consulting, Inc. and Dominic DiNapoli, dated as of November 1, 2005. (Filed with the Securities and Exchange Commission on November 2, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 1, 2005 and incorporated herein by reference.) |
| 10.22* | FTI Consulting, Inc. Performance-Based Incentive Compensation Plan. (Filed with the Securities and Exchange Commission on December 1, 2004 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated December 1, 2004 and incorporated herein by reference.) |
| 10.23* | FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as Amended and Restated as of April 27, 2005. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.) |
| 10.24* | Form of Incentive Stock Option Agreement used with 2004 Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.) |

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| **Exhibit Number** | **Description of Exhibits** |
|---|---|
| 10.25* | Form of Restricted Stock Agreement used with 2004 Long-Term Incentive Plan, as amended. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.) |
| 10.26* | Form of Incentive Stock Option Agreement used with 1997 Stock Option Plan, as amended. (Filed with the Securities and Exchange Commission on February 24, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 28, 2005 and incorporated herein by reference.) |
| 10.27* | Incentive Stock Option Agreement between FTI Consulting, Inc. and Jack B. Dunn, IV, dated as of October 28, 2004. (Filed with the Securities and Exchange Commission on February 24, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 28, 2005 and incorporated herein by reference.) |
| 10.28* | Incentive Stock Option Agreement between FTI Consulting, Inc. and Jack B. Dunn, IV, dated as of February 17, 2005. (Filed with the Securities and Exchange Commission on February 24, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 28, 2005 and incorporated herein by reference.) |
| 10.29* | Written Summary of Non-Employee Director Compensation approved by the Board of Directors of FTI Consulting, Inc. on April 27, 2005. (Filed with the Securities and Exchange Commission on May 3, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated April 27, 2005 and incorporated herein by reference.) |
| 10.30* | FTI Consulting, Inc. Non-Employee Director Compensation Plan, established effective April 27, 2005. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.) |
| 10.31* | Form of FTI Consulting, Inc. Non-Employee Director Compensation Plan Stock Option Agreement. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.) |
| 10.32* | Form of FTI Consulting, Inc. Non-Employee Director Compensation Plan Restricted Stock Agreement. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.) |
| 10.33* | Form of FTI Consulting, Inc. Non-Employee Director Compensation Plan Stock Unit Agreement. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.) |
| 10.34* | FTI Consulting, Inc. Incentive Compensation Plan, Amended and Restated Effective October 25, 2005. (Filed with the Securities and Exchange Commission on October 28, 2005 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 25, 2005 and incorporated herein by reference). |
| 10.35* | Form of Nonqualified Stock Option Agreement used with 2004 Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on January 13, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4/A and incorporated herein by reference.) |
| 10.36* | Restricted Stock Agreement between FTI Consulting, Inc. and John A. MacColl dated as of January 9, 2006. (Filed with the Securities and Exchange Commission on January 13, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4/A and incorporated herein by reference.) |

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| Exhibit Number | Description of Exhibits |
|---|---|
| 10.37* | Amendment No. 1 dated as of January 9, 2006, to the Employment Agreement dated as of March 31, 2004 between FTI Consulting, Inc. and Barry S. Kaufman (Filed with the Securities and Exchange Commission on January 12, 2006 as an exhibit to FTI Consulting, Inc.  s Current Report on Form 8-K dated January 9, 2006 and incorporated herein by reference.) |
| 10.38* | Stock Option Agreement between FTI Consulting, Inc. and John A. MacColl dated as of January 9, 2006. (Filed with the Securities and Exchange Commission on March 7, 2006 as an exhibit to FTI Consulting, Inc.  s Annual Report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference.) |
| 10.39** | Third Amendment dated as of February 24, 2006, to the Amended and Restated Credit Agreement dated as of November 28, 2003, by and among FTI Consulting, Inc., a Maryland corporation, the Guarantors identified on the signature pages, the Lenders identified on the signature pages, and Bank of America, N.A., as administrative agent. (Filed with the Securities and Exchange Commission on March 6, 2006 as an exhibit to FTI Consulting, Inc.  s Current Report on Form 8-K dated March 6, 2006 and incorporated herein by reference.) |
| 10.40* | Amendment No. 1 to Employment Agreement dated as of November 2, 2002, made and entered into as of the 21st day of March, 2006, by and between FTI Consulting, Inc., a Maryland corporation with its principal executive office in Baltimore, Maryland, and Theodore I. Pincus. (Filed with the Securities and Exchange Commission on March 21, 2006 as an exhibit to FTI Consulting, Inc.  s Current Report on Form 8-K dated March 21, 2006 and incorporated herein by reference.) |
| 10.41* | Amendment to FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as Amended and Restated effective April 27, 2005. (Filed with the Securities and Exchange Commission on March 31, 2006 as an exhibit to FTI Consulting, Inc.  s Current Report on Form 8-K dated March 31, 2006 and incorporated herein by reference.) |
| 10.42* | Amendment dated as of June 6, 2006 to the FTI Consulting, Inc. Non-Employee Director Compensation Plan. (Filed with the Securities and Exchange Commission on June 7, 2006 as an exhibit to FTI Consulting, Inc.  s Current Report on Form 8-K dated June 7, 2006 and incorporated herein by reference.) |
| 10.43* | Amendment dated as of June 6, 2006 to the FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as Amended and Restated Effective as of April 27, 2005, as further amended. (Filed with the Securities and Exchange Commission on June 7, 2006 as an exhibit to FTI Consulting, Inc.  s Current Report on Form 8-K dated June 7, 2006 and incorporated herein by reference.) |
| 10.44* | FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission, on June 6, 2006 as exhibit 4.3 to FTI Consulting, Inc.  s Registration Statement on Form S-8 (333-134789) and incorporated herein by reference.) |
| 10.45* | Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Incentive Stock Option Agreement. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.  s Registration Statement on Form S-8 (333-134789) and incorporated herein by reference.) |
| 10.46* | Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.  s Registration Statement on Form S-8 (333-134789) and incorporated herein by reference.) |
| 10.47* | FTI Consulting, Inc. Deferred Compensation Plan for Key Employees and Non-Employee Directors. (Filed with the Securities and Exchange Commission on April 28, 2006 as an exhibit to FTI Consulting, Inc.  s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.) |

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| **Exhibit Number** | **Description of Exhibits** |
|---|---|
| 10.48* | Form of FTI Consulting, Inc. Deferred Compensation Plan For Key Employees and Non-Employee Directors Restricted Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-8 (333-134790) and incorporated herein by reference.) |
| 10.49* | Form of FTI Consulting, Inc. Deferred Compensation Plan For Key Employees and Non-Employee Directors Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-8 (333-134790) and incorporated herein by reference.) |
| 10.50* | FTI Consulting, Inc. 2007 Employee Stock Purchase Plan. (Filed with the Securities and Exchange Commission on April 28, 2006 as an exhibit to FTI Consulting, Inc. s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.) |
| 10.51* | Offer Letter dated January 9, 2006 to and accepted by John A. MacColl. (Filed with the Securities and Exchange Commission on June 9, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated June 6, 2006 and incorporated herein by reference.) |
| 10.52* | Offer Letter dated May 17, 2005 to and accepted by David G. Bannister. (Filed with the Securities and Exchange Commission on June 9, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated June 6, 2006 and incorporated herein by reference.) |
| 10.53** | Amended and Restated Credit Agreement entered into as of September 29, 2006, among FTI Consulting, Inc., a Maryland corporation, the Guarantors (defined therein), the Lenders (defined therein) and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer. (Filed with the Securities and Exchange Commission on October 2, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated September 29, 2006 and incorporated herein by reference.) |
| 10.54** | Amended and Restated Security Agreement dated as of September 29, 2006, by and among the parties identified as Grantors on the signature pages thereto and such other parties as may become Grantors after the date thereof and Bank of America, N.A., as administrative agent for the holders of the Secured Obligations. (Filed with the Securities and Exchange Commission on October 2, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated September 29, 2006 and incorporated herein by reference.) |
| 10.55** | Amended and Restated Pledge Agreement dated as of September 29, 2006, by and among the parties identified as Pledgors on the signature pages thereto and such other parties as may become Pledgors after the date thereof and Bank of America, N.A., as administrative agent for the holders of the Secured Obligations. (Filed with the SEC on October 2, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated September 29, 2006 and incorporated herein by reference.) |
| 10.56 | Exchange and Registration Rights Agreement dated as of October 3, 2006, relating to 7 $^{3}/4$% Senior Notes due 2016, by and among FTI, the guarantors named therein and the Initial Purchasers named therein. (Filed with the Securities and Exchange Commission on October 10, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 3, 2006 and incorporated herein by reference.) |
| 10.57** | Parent Guaranty Agreement dated as of October 4, 2006, between FTI Consulting, Inc. and FTI FD Inc. (Filed with the Securities and Exchange Commission on October 10, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 3, 2006 and incorporated herein by reference.) |

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| Exhibit Number | Description of Exhibits |
|---|---|
| 10.58* | FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan, Amended and Restated Effective October 25, 2006. (Filed with the Securities and Exchange Commission on October 26, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated October 25, 2006 and incorporated herein by reference.) |
| 10.59* | FTI Consulting, Inc. Incentive Compensation Plan. (Filed with the Securities and Exchange Commission on April 28, 2006 as an exhibit to FTI Consulting, Inc. s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.) |
| 10.60* | FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan/Appendix II: Australian Sub-Plan. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.) |
| 10.61* | FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan/Appendix III: Ireland Sub-Plan. (Filed with the Securities Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.) |
| 10.62* | FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan/Appendix IV: United Kingdom Sub-Plan. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc. s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.) |
| 10.63* | FTI Consulting, Inc. Non-Employee Director Compensation Plan Stock Option Agreement under FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on December 13, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated December 11, 2006 and incorporated herein by reference.) |
| 10.64* | FTI Consulting, Inc. Non-Employee Director Compensation Plan Restricted Stock Agreement under FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on December 13, 2006 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated December 11, 2006 and incorporated herein by reference.) |
| 10.65 | Release entered into as of January 4, 2007 in favor of FTI Consulting, Inc. and Teklicon, Inc. by Bank of America, N.A., as Administrative Agent, releasing Teklicon s unconditional guarantee of FTI Consulting, Inc. s obligations under the Amended and Restated Credit Agreement entered into as of September 29, 2006, Amended and Restated Security Agreement dated as of September 29, 2006, and Amended and Restated Pledge Agreement dated as of September 29, 2006. (Filed with the Securities and Exchange Commission on May 9, 2007 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 and incorporated herein by reference.) |
| 10.66* | FTI Consulting, Inc. Non-Qualified Stock Option Agreement under FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on May 9, 2007 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 and incorporated herein by reference.) |
| 10.67* | Amendment No. 1 made and entered into as of April 23, 2007 to the Employment Agreement dated as of September 20, 2004, by and between FTI Consulting, Inc. and Dennis J. Shaughnessy. (Filed with the Securities and Exchange Commission on April 26, 2007 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated April 23, 2007 and incorporated herein by reference.) |
| 10.68* | Offer Letter dated June 14, 2007 to and accepted by Jorge A. Celaya (Filed with the Securities and Exchange Commission on July 10, 2007 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 9, 2007 and incorporated herein by reference.) |

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| **Exhibit**<br>**Number** | **Description of Exhibits** |
|---|---|
| 10.69* | Amendment No. 2 made and entered into as of November 2, 2007 to the Employment Agreement dated as of November 5, 2002, by and between FTI Consulting, Inc. and Theodore I. Pincus. (Filed with the Securities and Exchange Commission on February 29, 2008 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year an ended December 31, 2007 and incorporated herein by reference.) |
| 10.70* | FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on May 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarter Report on Form 10-Q for quarter ended March 31, 2008 and incorporated herein by reference.) |
| 10.71* | FTI Consulting, Inc. Deferred Compensation Plan For Key Employees and Non-Employee Directors Restricted Stock Unit Agreement for Non-Employee Directors Under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on May 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarter Report on Form 10-Q for quarter ended March 31, 2008 and incorporated herein by reference.) |
| 10.72* | FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement Under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on May 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarter Report on Form 10-Q for quarter ended March 31, 2008 and incorporated herein by reference.) |
| 10.73* | FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement Under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on May 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarter Report on Form 10-Q for quarter ended March 31, 2008 and incorporated herein by reference.) |
| 10.74* | FTI Consulting, Inc. Deferred Compensation Plan for Key Employees and Non-Employee Directors [Amended and Restated Effective as of May 14, 2008]. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for quarter ended June 30, 2008 and incorporated herein by reference.) |
| 10.75* | Form of Restricted Stock Unit Agreement for Non-Employee Directors under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to Quarterly Report on Form 10-Q for quarter ended June 30, 2008 and incorporated herein by reference.) |
| 10.76* | Form of Stock Unit Agreement for Non-Employee Directors under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for quarter ended June 30, 2008 and incorporated herein by reference.) |
| 10.77* | FTI Consulting, Inc. 2004 Long-Term Incentive Plan [Amended and Restated Effective as of May 14, 2008]. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for quarter ended June 30, 2008 and incorporated herein by reference.) |
| 10.78* | Form of FTI Consulting, Inc. 2004 Long-Term Incentive Plan Incentive Stock Option Agreement. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for quarter ended June 30, 2008 and incorporated herein by reference.) |

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| Exhibit Number | Description of Exhibits |
| --- | --- |
| 10.79* | FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan [Amended and Restated Effective as of May 14, 2008]. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for quarter ended June 30, 2008 and incorporated herein by reference.) |
| 10.80* | Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement Under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for quarter ended June 30, 2008 and incorporated herein by reference.) |
| 10.81** | First Amendment to Credit Agreement and Security Agreement dated as of June 30, 2008, by and among FTI Consulting, Inc., a Maryland corporation, the Guarantors identified on the signature pages, the Lenders identified on the signature pages, and Bank of America, N.A., as administrative agent. (Filed with the Securities and Exchange Commission on August 1, 2008 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated July 28, 2008 and incorporated herein by reference.) |
| 10.82** | Commitment Agreement dated as of August 15, 2008, by and among FTI Consulting, Inc., a Maryland corporation, the Guarantors identified on the signature pages, the Lenders identified on the signature pages, and Bank of America, N.A., as administrative agent. (Filed with the Securities and Exchange Commission on August 19, 2008 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K/A dated July 28, 2008 and incorporated herein by reference.) |
| 10.83* | Form of Restricted Stock Agreement under the FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan, as amended and restated. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.) |
| 10.84* | Form of Incentive Stock Option Agreement under the FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan, as amended and restated. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.) |
| 10.85** * | Amendment No. 2 effective as of August 11, 2008 to the Employment Agreement dated November 5, 2002 between FTI Consulting, Inc. and Jack B. Dunn, IV. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.) |
| 10.86* | Amendment No. 3 as of December 31, 2008 to the Employment Agreement dated November 5, 2002 between FTI Consulting, Inc. and Jack B. Dunn, IV. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 10.87* | Amendment No. 2 as of December 31, 2008 to the Employment Agreement dated as of September 20, 2004, by and between FTI Consulting, Inc. and Dennis J. Shaughnessy. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 10.88* | Amendment No. 1 as of December 31, 2008 to the Employment Agreement dated as of November 1, 2005 by and between Dominic DiNapoli and FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |

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| Exhibit Number | Description of Exhibits |
| --- | --- |
| 10.89** * | Employment Agreement by and among, FD U.S. Communications, Inc., FTI Consulting, Inc. and Declan Kelly. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 10.90* | Amendment as of August 1, 2008 to the Employment Agreement by and among, FD U.S. Communications, Inc., FTI Consulting, Inc. and Declan Kelly. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 10.91* | Second Amendment as of December 16, 2008 to the Employment Agreement by and among, FD U.S. Communications, Inc., FTI Consulting, Inc. and Declan Kelly. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 10.92* | Amendment made and entered into as of December 31, 2008 to Offer Letter dated June 14, 2007 to and accepted by Jorge A. Celaya. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 10.93* | Employment Letter dated as of December 31, 2008 to and accepted by Roger Carlile. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 10.94* | Offer Letter dated April 26, 2006 to and accepted by Eric B. Miller. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 10.95* | Amendment made and entered into as of December 31, 2008 to Offer Letter dated April 26, 2006 to and accepted by Eric B. Miller. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 10.96* | Amendment No. 1dated March 31, 2009 to the FTI Consulting, Inc. Non-Employee Director Compensation Plan (Amended and Restated Effective as of February 20, 2008). (Filed with the Securities and Exchange Commission on May 5, 2009 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 and incorporated herein by reference.) |
| 10.97* | Amendment No. 3 to Employment Agreement made and entered into as of January 2, 2009 by and between FTI Consulting, Inc. and Dennis J. Shaughnessy. Schedules to Amendment No. 3 to the Employment Agreement are not filed. FTI Consulting Inc. will furnish supplementally a copy of any omitted schedule to the SEC upon request. (Filed with the Securities and Exchange Commission on May 5, 2009 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 and incorporated herein by reference.) |
| 10.98* | FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan (Filed with the Securities and Exchange Commission on April 23, 2009 as an exhibit to FTI Consulting, Inc. s Proxy Statement and incorporated herein by reference.) |
| 10.99* | Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Incentive Stock Option Agreement. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference). |

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| Exhibit Number | Description of Exhibits |
|---|---|
| 10.100* | Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Restricted Stock Agreement. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference). |
| 10.101* | Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Restricted Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference). |
| 10.102* | Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference). |
| 10.103* | Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Restricted Stock Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference). |
| 10.104* | Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Nonstatutory Stock Option Agreement. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference). |
| 10.105* | Separation Agreement dated as of July 27, 2009, by and among FD U.S. Communications, Inc., FTI Consulting, Inc. and Declan Kelly (Filed with the Securities and Exchange Commission on November 6, 2009 as an exhibit to FTI Consulting, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2009 and incorporated herein by reference). |
| 10.106 ** | Master Confirmation Accelerated Share Buyback Agreement dated November 9, 2009. (Filed with the Securities and Exchange Commission on November 13, 2009 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 9, 2009 and incorporated herein by reference). |
| 10.107 ** | Supplemental Confirmation dated November 9, 2009. (Filed with the Securities and Exchange Commission on November 13, 2009 as an exhibit to FTI Consulting, Inc. s Current Report on Form 8-K dated November 9, 2009 and incorporated herein by reference). |
| 11.1 | Computation of Earnings Per Share (included in Note 1 to the Consolidated Financial Statements included in Part II Item 8 herein). |
| 14.0 | FTI Consulting, Inc. Policy on Ethics and Business Conduct, as Amended and Restated Effective December 18, 2008. (Filed with the Securities and Exchange Commission on December 22, 2008 as an exhibit to FTI Consulting, Inc. s Form 8-K dated December 18, 2008 and incorporated herein by reference.) |
| 21.1 | Subsidiaries of FTI Consulting, Inc. |
| 23.0 | Consent of KPMG LLP |
| 31.1 | Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15D-14(a) under the Securities Exchange Act of 1934, as amended (Section 302 of the Sarbanes-Oxley Act of 2002). |
| 31.2 | Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15D-14(a) under the Securities Exchange Act of 1934, as amended (Section 302 of the Sarbanes-Oxley Act of 2002). |
| 32.1 | Certification of Principal Executive Officer Pursuant to 18 USC. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002). |

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| **Exhibit Number** | **Description of Exhibits** |
|---|---|
| 32.2 | Certification of Principal Financial Officer Pursuant to 18 USC. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002). |
| 99.1 | Policy on Disclosure Controls, as last amended and restated effective as of May 14, 2008. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 99.2 | Policy Statement on Inside Information and Insider Trading, as last amended and restated effective as of May 14, 2008. (Filed with the Securities and Exchange Commission on March 2, 2009 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.) |
| 99.3 | Policy on Conflicts of Interest. (Filed with the Securities and Exchange Commission on March 27, 2003 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.) |
| 99.4 | Corporate Governance Guidelines, as last amended and restated effective as of December 16, 2009. |
| 99.5 | Categorical Standards of Director Independence, as last amended and restated effective as of May 19, 2004. (Filed with the Securities and Exchange Commission on March 15, 2005 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for year ended December 31, 2004 and incorporated herein by reference.) |
| 99.6 | Charter of Audit Committee, as last amended and restated effective as of December 16, 2009. |
| 99.7 | Charter of the Compensation Committee, as last amended and restated effective as of December 16, 2009. |
| 99.8 | Charter of the Nominating and Corporate Governance Committee, as last amended and restated effective as of December 16, 2009. |
| 99.9 | Anti-Corruption Policy effective as of August 1, 2007. (Filed with the Securities and Exchange Commission on February 29, 2008 as an exhibit to FTI Consulting, Inc. s Annual Report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference.) |

* Management contract or compensatory plan or arrangement.

Filed herewith.

** With certain exceptions that were specified at the time of initial filing with the Securities and Exchange Commission, exhibits, schedules (or similar attachments) are not filed with the SEC. FTI Consulting, Inc. will furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

Certain portion of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to our request for confidential treatment under Rule 24b-2 of the Securities Act of 1933, as amended, which was granted by the Securities and Exchange Commission on January 11, 2010.

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized this 26th day of February 2010.

FTI CONSULTING, INC.

| | |
|---|---|
| By: | /s/ JACK B. DUNN, IV |
| **Name:** | **Jack B. Dunn, IV** |
| **Title:** | **President and Chief Executive Officer** |

| SIGNATURE | CAPACITY IN WHICH SIGNED | DATE |
|---|---|---|
| /s/ DENNIS J. SHAUGHNESSY<br>**Dennis J. Shaughnessy** | Chairman of the Board | February 26, 2010 |
| /s/ JACK B. DUNN, IV<br>**Jack B. Dunn, IV** | Chief Executive Officer and<br>President and Director<br>(Principal Executive Officer) | February 26, 2010 |
| /s/ JORGE A. CELAYA<br>**Jorge A. Celaya** | Executive Vice President and<br>Chief Financial Officer<br>(Principal Financial Officer) | February 26, 2010 |
| /s/ CATHERINE M. FREEMAN<br>**Catherine M. Freeman** | Senior Vice President, Controller<br>and Chief Accounting Officer<br>(Principal Accounting Officer) | February 26, 2010 |
| /s/ BRENDA J. BACON<br>**Brenda J. Bacon** | Director | February 26, 2010 |
| /s/ MARK H. BEREY<br>**Mark H. Berey** | Director | February 26, 2010 |
| /s/ DENIS J. CALLAGHAN<br>**Denis J. Callaghan** | Director | February 26, 2010 |
| /s/ JAMES W. CROWNOVER<br>**James W. Crownover** | Director | February 26, 2010 |

| | | |
|---|---|---|
| /s/ Gerard E. Holthaus | Director | February 26, 2010 |
| **Gerard E. Holthaus** | | |
| /s/ Matthew F. McHugh | Director | February 26, 2010 |
| **Matthew F. McHugh** | | |
| /s/ George P. Stamas | Director | February 26, 2010 |
| **George P. Stamas** | | |