U. S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) September 17, 1998

FTI CONSULTING, INC.
(Exact name of registrant as specified in its charter)

Maryland	0000887936	52-1261113
(State of other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2021 Research Drive, Annapolis, Maryland 21401
(Address of principal executive offices, including Zip Code)

(410) 224-8770
(Registrant's telephone number, including area code)

FTI CONSULTING, INC.

The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its Current Report on Form 8-K dated September 17, 1998 and on Form 8-K dated September 25, 1998 as set forth below.

ITEM 5. OTHER

This Form 8-K/A provides financial information with respect to the acquisitions of S.E.A., Inc. and K.C.I., Inc. This Form 8-K/A with the financial information for these acquisitions is being filed today. As a result of these acquisitions FTI Consulting, Inc. (the "Company"), no longer satisfies the net tangible assets requirement for continued listing on the Nasdaq National Market System and, therefore, is subject to delisting. Accordingly, the Company will pursue other options in an effort to have its Common Stock remain listed on a national securities exchange. These options include applying to transfer the Company's listing to either the Nasdaq SmallCap Market or the American Stock Exchange. The Company believes it currently meets the applicable listing requirements on both of these exchanges.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of businesses acquired.

Audited combined financial statements of Kahn Consulting Inc. and Affiliate, for the years ended December 31, 1997 and 1996 and unaudited combined financial statements of Kahn Consulting Inc. and Affiliate, for the six months ended June 30, 1998 and 1997.

Audited financial statements of S.E.A., Inc., for the years ended December 31, 1997 and 1996 and unaudited financial statements of S.E.A., Inc., for the six months ended June 30, 1998 and 1997.

(b) Pro Forma Financial Information.

Unaudited pro forma combined statement of income for the nine months ended September 30, 1998.

Unaudited pro forma combined statement of income for the year ended December 31, 1997.

Notes to unaudited pro forma combined financial statements.

(c) Exhibits

23.1 Consent of Ernst & Young LLP for Kahn Consulting Inc.

COMBINED FINANCIAL STATEMENTS

KAHN CONSULTING INC.
AND AFFILIATE

Years ended December 31, 1997 and 1996
with Report of Independent Auditors

Kahn Consulting Inc.
and Affiliate

Combined Financial Statements

Years ended December 31, 1997 and 1996

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Report of Independent Auditors

The Board of Directors
Kahn Consulting Inc.

We have audited the accompanying combined balance sheets of Kahn Consulting Inc. and affiliate as of December 31, 1997 and 1996, and the related combined statements of income and retained earnings and cash flows for the years then ended. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Kahn Consulting Inc. and affiliate at December 31, 1997 and 1996, and the combined results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Baltimore, MD
July 24, 1998

Kahn Consulting Inc.
and Affiliate

Combined Balance Sheets

	DECEMBER 31, 1997	DECEMBER 31, 1996
ASSETS		
Current assets:		
Cash and cash equivalents	$ 247,489	$ 167,611
Restricted cash	347,516	1,346,250
Accounts receivable, less allowance of $392,726 in 1997 and $41,020 in 1996	1,851,545	558,481
Unbilled receivables, less allowance of $480,000 in 1997 and $154,310 in 1996	1,656,836	1,886,498
Other assets	34,908	3,620
Total current assets	4,138,294	3,962,460
Equipment, net of accumulated depreciation	64,807	84,846
Other assets	55,241	55,241
Total assets	$4,258,342	$4,102,547
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 285,861	$ 179,838
Accrued compensation expense	990,000	765,000
Advances from clients	347,516	1,346,250
Deferred income taxes	212,000	136,000
Total current liabilities	1,835,377	2,427,088
Stockholder's equity:		
Common stock, par value $.01 per share; 4,000 shares authorized, 200 shares issued and outstanding	2	2
Additional paid-in capital	98	98
Retained earnings	2,422,865	1,675,359
Total stockholder's equity	2,422,965	1,675,459
Total liabilities and stockholder's equity	$4,258,342	$4,102,547

See accompanying notes.

Kahn Consulting Inc.
and Affiliate

Combined Statements of Income and Retained Earnings

	YEAR ENDED DECEMBER 31, 1997	1996
Net revenues	$ 8,530,104	$ 6,765,686
Direct cost of revenues	6,190,134	5,196,091
General and administrative expenses	1,545,000	1,441,908
Total costs and expenses	7,735,134	6,637,999
Income from operations	794,970	127,687
Interest and other income	28,536	55,018
Income before income taxes	823,506	182,705
Income taxes	(76,000)	(38,000)
Net income	747,506	144,705
Retained earnings, beginning of year	1,675,359	1,530,654
Retained earnings, end of year	$ 2,422,865	$ 1,675,359

See accompanying notes.

Kahn Consulting Inc.

Combined Statements of Cash Flows

	YEAR ENDED DECEMBER 31, 1997	1996
OPERATING ACTIVITIES		
Net income	$ 747,506	$ 144,705
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	42,949	55,020
Provision for bad debts	254,203	244,817
Deferred income taxes	76,000	38,000
Changes in operating assets and liabilities:		
Accounts receivable	(1,547,267)	(244,785)
Unbilled receivables	229,662	(960,144)
Other current assets	(31,288)	8,397
Other assets	--	535
Accounts payable and accrued expenses	106,023	72,822
Accrued compensation expense	225,000	462,459
Net cash provided by (used in) operating activities	102,788	(178,174)
INVESTING ACTIVITIES		
Change in restricted cash	--	(50,000)
Purchase of equipment	(22,910)	(38,966)
Net cash used in investing activities	(22,910)	(88,966)
Net increase (decrease) in cash and cash equivalents	79,878	(267,140)
Cash and cash equivalents at beginning of year	167,611	434,751
Cash and cash equivalents at end of year	$ 247,489	$ 167,611

See accompanying notes.

Kahn Consulting Inc.
and Affiliate

Notes to Combined Financial Statements

December 31, 1997 and 1996

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying combined financial statements include the accounts of Kahn Consulting Inc. and KCI Management Corp. (collectively, "the Company"). Kahn Consulting Inc. provides strategic advisory, turnaround, bankruptcy, and trustee services, as well as litigation consulting services. These litigation services include expert testimony in financial proceedings, forensic accounting and fraud investigation. KCI Management Corp. provides general administrative services to Kahn Consulting Inc.

Inter-company transactions have been eliminated in combination.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Company uses 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. The Company estimates the amount of the required allowance by reviewing the status of each individual account. The Company has experienced significant variations in the estimate of the allowance for doubtful accounts, due primarily to client concentrations at each respective year-end. At December 31, 1997, one client comprised 48% of total gross receivables. At December 31, 1996, that same client comprised 37% of total gross receivables. These concentrations make the estimates of the allowance for receivables subject to change in the near term, and the differences could be material.

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CASH EQUIVALENTS

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

RESTRICTED CASH

Restricted cash represents cash held in escrow accounts by the Company on behalf of clients.

EQUIPMENT

Equipment is stated at cost and depreciated using the straight-line method. Computer equipment is depreciated over a period of 3 years, furniture and fixtures is depreciated over estimated useful lives ranging from 5 to 7 years, and leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the lease term.

REVENUE RECOGNITION

The Company derives its revenues from professional service activities. Revenues consist of fees and expenses, and are recorded as work is performed and expenses are incurred at their estimated net realizable value. Revenues recognized in excess of amounts billed to clients have been recorded as unbilled receivables.

DIRECT COST OF REVENUES

Direct cost of revenues consists primarily of billable employee compensation and related payroll benefits, and direct expenses billable to clients. Direct cost of revenues does not include an allocation of overhead costs.

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

Kahn Consulting Inc. is organized as an S-Corporation for federal income tax purposes, and its income is included in the tax return of its sole shareholder for federal income tax purposes. However, income taxes are provided in the accompanying statement of income related to certain jurisdictions that require the payment of taxes at the corporate level. KCI Management Corp. is organized as a C Corporation and its profits are taxable at the corporate level.

Income taxes are recorded using the liability method, whereby deferred income taxes are recorded to reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities reported for financial reporting and income tax filing purposes.

2. SIGNIFICANT CUSTOMER

The Company recognized from one customer net revenue representing 17% and 19%, respectively, of total net revenue in 1997 and 1996. See also, Note 1, Use of Estimates.

3. EQUIPMENT

Equipment consists of the following:

	DECEMBER 31	
	1997	1996
Furniture and fixtures	$ 161,731	$ 161,731
Computer equipment	338,699	315,789
Leasehold improvements	37,651	37,651
	538,081	515,171
Less accumulated depreciation	(473,274)	(430,325)
Equipment, net	$ 64,807	$ 84,846

4. OPERATING LEASE

The Company leases office space under a noncancelable operating lease with a minimum lease payment of $370,000 per annum through the period ended January 2001.

Rent expense for all leases was $425,000 and $399,000 for 1997 and 1996, respectively.

5. INCOME TAXES

The Company's provision for income taxes in 1997 and 1996 consists of local income taxes related to the operations of Kahn Consulting Inc. Kahn Consulting Inc. uses the cash method of accounting for income tax purposes, and net deferred income taxes payable have been recorded principally for net cumulative temporary differences in accounts receivable, accounts payable and accrued expenses at the balance sheet date. No income taxes were paid in 1997 or 1996, and no income taxes are currently due.

Income taxes related to KCI Management Corp. are insignificant.

6. EMPLOYEE BENEFIT PLAN

The Company maintains a qualified defined contribution plan which covers substantially all employees. Under the plan, participants are entitled to make pre-tax contributions. The Company matches at its discretion participant contributions. The Company recorded expense of $93,000 and $0 during 1997 and 1996, respectively, related to this plan.

7. YEAR 2000 (UNAUDITED)

The Year 2000 Issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Company's computer programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities.

The Company has developed a formal plan to remediate its systems for Year 2000 Issues, made necessary changes to certain mission-critical systems, and successfully tested a portion of those systems for data integrity. Other necessary remediation and testing will take place in

7. YEAR 2000 (UNAUDITED) (CONTINUED)

1998. Management believes that the risk associated with its information systems is not significant, and, accordingly management does not anticipate that the Year 2000 will have a significant impact on its information systems or result in a significant commitment of resources to resolve any potential problems associated with this event.

COMBINED UNAUDITED FINANCIAL STATEMENTS

KAHN CONSULTING INC.
AND AFFILIATE

Period ended June 30, 1998 and 1997

Kahn Consulting Inc.
and Affiliate

Combined Unaudited Financial Statements

Period ended June 30, 1998 and 1997

CONTENTS

Kahn Consulting Inc.
and Affiliate

Unaudited Combined Balance Sheets

	JUNE 30, 1998	JUNE 30, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 765,023	$ 284,259
Restricted cash	30,009	237,107
Accounts receivable, net	706,381	241,023
Unbilled receivables, net	2,925,512	3,475,708
Other assets	9,913	7,414
Total current assets	4,436,838	4,245,511
Equipment, net of accumulated depreciation	62,115	56,548
Other assets	59,522	59,522
Total assets	$4,558,475	$4,361,581
LIABILITIES AND STOCKHOLDER'S EQUITY Current liabilities:		
Accounts payable and accrued expenses	$ 19,360	$ 15,188
Line of credit	-	52,500
Accrued compensation expense	1,015,311	1,886,796
Profit sharing payable	-	93,693
Income taxes payable	79,000	23,400
Other taxes payable	1,010	10,714
Advances from clients	30,009	237,107
Deferred income taxes	212,000	136,000
Total current liabilities	1,356,690	2,455,398
Stockholder's equity:		
Common stock, par value $.01 per share; 4,000 shares authorized, 200 shares issued and outstanding	2	2
Additional paid-in capital	98	98
Retained earnings	3,201,685	1,906,083
Total stockholder's equity	3,201,785	1,906,183
Total liabilities and stockholder's equity	$4,558,475	$4,361,581

See accompanying notes.

Kahn Consulting Inc.
and Affiliate

Unaudited Combined Statements of Income and Retained Earnings

	PERIOD ENDED JUNE 30, 1998	1997
Net revenues	$ 4,883,027	$ 4,175,464
Direct cost of revenues	3,304,187	3,206,362
General and administrative expenses	723,430	725,662
Total costs and expenses	4,027,617	3,932,024
Income from operations	855,410	243,440
Interest and other income	2,410	10,684
Income before income taxes	857,820	254,124
Income taxes	(79,000)	(23,400)
Net income	778,820	230,724
Retained earnings, beginning of year	2,422,865	1,675,359
Retained earnings, end of year	$ 3,201,685	$ 1,906,083

See accompanying notes.

Kahn Consulting Inc.

Unaudited Combined Statements of Cash Flows

	PERIOD ENDED JUNE 30, 1998	1997
OPERATING ACTIVITIES		
Net income	$ 778,820	$ 230,724
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	27,600	27,600
Changes in operating assets and liabilities:		
Accounts receivable	1,145,164	317,458
Unbilled receivables	(1,268,676)	(1,589,210)
Other current assets	24,995	(3,794)
Other assets	(4,281)	(4,281)
Accounts payable and accrued expenses	(266,501)	(164,650)
Accrued compensation expense	25,311	1,121,796
Profit sharing payable	--	93,693
Other tax payable	1,010	10,714
Income tax payable	79,000	23,400
Advances from clients	(347,516)	(1,346,250)
Net cash provided by (used in) operating activities	194,926	(1,282,800)
INVESTING ACTIVITIES		
Change in restricted cash	347,516	1,346,250
Purchase of equipment	(24,908)	698
Net cash used in investing activities	322,608	1,346,948
FINANCING ACTIVITIES		
Advance on line of credit	--	52,500
Net cash provided by financing activities	--	52,500
Net increase in cash	517,534	116,648
Cash and cash equivalents at beginning of period	247,489	167,611
Cash and cash equivalents at end of period	765,023	284,259

See accompanying notes.

Kahn Consulting Inc.
and Affiliate

Notes to Unaudited Combined Financial Statements

June 30, 1998 and 1997

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying combined financial statements include the accounts of Kahn Consulting Inc. and KCI Management Corp. (collectively, "the Company"). Kahn Consulting Inc. provides strategic advisory, turnaround, bankruptcy, and trustee services, as well as litigation consulting services. These litigation services include expert testimony in financial proceedings, forensic accounting and fraud investigation. KCI Management Corp. provides general administrative services to Kahn Consulting Inc.

The accompanying unaudited combined financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 8-K and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting princples for complete financial statements. In the opinion of management all adjustments considered necessary for a fair presentation have been included.

Inter-company transactions have been eliminated in combination.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Company uses 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. The Company estimates the amount of the required allowance by reviewing the status of each individual account. The Company has experienced significant variations in the estimate of the allowance for doubtful accounts, due primarily to client concentrations at each respective year-end. These concentrations make the estimates of the allowance for receivables subject to change in the near term, and the differences could be material.

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CASH EQUIVALENTS

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

RESTRICTED CASH

Restricted cash represents cash held in escrow accounts by the Company on behalf of clients.

EQUIPMENT

Equipment is stated at cost and depreciated using the straight-line method. Computer equipment is depreciated over a period of 3 years, furniture and fixtures is depreciated over estimated useful lives ranging from 5 to 7 years, and leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the lease term.

REVENUE RECOGNITION

The Company derives its revenues from professional service activities. Revenues consist of fees and expenses, and are recorded as work is performed and expenses are incurred at their estimated net realizable value. Revenues recognized in excess of amounts billed to clients have been recorded as unbilled receivables.

DIRECT COST OF REVENUES

Direct cost of revenues consists primarily of billable employee compensation and related payroll benefits, and direct expenses billable to clients. Direct cost of revenues does not include an allocation of overhead costs.

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

Kahn Consulting Inc. is organized as an S-Corporation for federal income tax purposes, and its income is included in the tax return of its sole shareholder for federal income tax purposes. However, income taxes are provided in the accompanying statement of income related to certain jurisdictions that require the payment of taxes at the corporate level. KCI Management Corp. is organized as a C Corporation and its profits are taxable at the corporate level.

Income taxes are recorded using the liability method, whereby deferred income taxes are recorded to reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities reported for financial reporting and income tax filing purposes.

Audited Financial Statements

S.E.A., Inc.

Years ended December 31, 1997 and 1996

S.E.A., Inc.

Audited Financial Statements

Years ended December 31, 1997 and 1996

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Report of Independent Auditors

The Board of Directors
S.E.A., Inc.

We have audited the accompanying balance sheets of S.E.A., Inc. as of December 31, 1997 and 1996, and the related statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 financial statements referred to above present fairly, in all material respects, the financial position of S.E.A., Inc. at December 31, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Columbus, OH
July 31, 1998

/s/ Ernst & Young

S.E.A., Inc.

Balance Sheets

	December 31 1997	December 31 1996
ASSETS		
Current assets:		
Cash	$ 34,663	$ 33,481
Receivables:		
Trade (net of allowance for doubtful accounts of $15,000 in 1997 and 1996)	2,588,122	2,598,264
Unbilled	1,087,570	977,411
Notes receivable	7,500	6,300
Total receivables	3,683,192	3,581,975
Other current assets	117,809	87,046
Total current assets	3,835,664	3,702,502
Property and equipment:		
Building under capital lease	1,575,000	1,575,000
Vehicles	151,721	143,398
Office equipment	1,098,139	1,034,762
Laboratory equipment	220,764	222,775
Test machines	200,000	200,000
Office furniture	222,272	227,413
Leasehold improvements	123,934	123,934
Software and other assets	57,170	64,830
Total property and equipment	3,649,000	3,592,112
Accumulated depreciation	(2,714,951)	(2,536,265)
	934,049	1,055,847
Other assets:		
Cash surrender value of life insurance	--	169,685
Notes receivable	209,690	217,652
Deposits	15,194	12,693
Deferred tax asset	105,350	153,215
Total other assets	330,234	553,245
Total assets	$ 5,099,947	$ 5,311,594

	DECEMBER 31	
	1997	1996
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Line of credit	$ 25,000	$ 500,000
Current portion of long-term debt	135,000	128,950
Current portion of capital lease obligations	227,612	258,696
Notes payable - officers	--	200,000
Accounts payable	44,058	150,953
Accrued payroll	601,817	541,710
Profit-sharing payable	235,188	209,585
Income taxes payable	240,100	22,075
Other taxes payable	71,248	71,771
Deferred tax liability	1,236,047	1,183,801
Total current liabilities	2,816,070	3,267,541
Long-term debt, net of current portion	270,662	405,844
Capital lease obligations, net of current portion	532,912	758,279
Total liabilities	3,619,644	4,431,664
Stockholders' equity:		
Common stock (no par value, 500 shares authorized, 60 shares issued and outstanding)	336	336
Additional paid-in capital	10,218	10,218
Retained earnings	1,469,749	869,376
	1,480,303	879,930
Total liabilities and shareholders' equity	$5,099,947	$5,311,594

See accompanying notes.

S.E.A., Inc.

Statements of Operations

	YEARS ENDED DECEMBER 31	
	1997	1996
Revenues	$ 16,070,069	$ 15,283,927
Direct cost of revenues	9,455,754	8,697,057
Selling, general and administrative expenses	5,471,420	5,067,173
Total costs and expenses	14,927,174	13,764,230
Income from operations	1,142,895	1,519,697
Other income and (expense):		
Interest income	30,779	3,914
Interest expense	(169,301)	(243,984)
Gain from sale of assets	4,050	8,649
Other	24,950	17,771
Total other expense	(109,522)	(213,650)
Income before taxes	1,033,373	1,306,047
Provision for income taxes	433,000	543,000
Net income	$ 600,373	$ 763,047

See accompanying notes.

S.E.A., Inc.

Statements of Stockholders' Equity

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
Balance at January 1, 1996	$ 336	$ 10,218	$ 106,329	$ 116,883
1996 net income	--	--	763,047	763,047
Balance at December 31, 1996	336	10,218	869,376	879,930
1997 net income	--	--	600,373	600,373
Balance at December 31, 1997	$ 336	$ 10,218	$1,469,749	$1,480,303

See accompanying notes.

S.E.A., Inc.

Statements of Cash Flows

	YEAR ENDED DECEMBER 31 1997	1996
OPERATING ACTIVITIES		
Net income	$ 600,373	$ 763,047
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	307,338	282,667
Gain from sale of fixed assets	(4,050)	(8,649)
Cash surrender value of life insurance	169,685	(11,832)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable - trade	10,142	(490,177)
Increase in accounts receivable - unbilled	(110,159)	(200,250)
Decrease in notes receivable	6,762	427
Increase in prepaids and other current assets	(30,763)	(78,940)
Increase in deposits	(2,501)	(1,886)
Decrease (increase) in deferred tax asset - long term	47,865	(1,087)
Decrease in accounts payable	(106,895)	(191,265)
Increase (decrease) in accrued liabilities	60,107	(46,379)
Increase in profit sharing payable	25,603	103,796
Increase in deferred tax liabilities	52,246	414,824
Increase (decrease) in other liabilities	259,372	(27,047)
Net cash provided by operating activities	1,285,125	507,249
INVESTING ACTIVITIES		
Proceeds from sale of fixed assets and real estate	4,050	48,892
Purchases of property and equipment, net	(185,540)	(276,023)
Net cash used in investing activities	(181,490)	(227,131)
FINANCING ACTIVITIES		
Net (decrease) increase in line of credit	(475,000)	400,000
(Repayment) proceeds from officers' notes payable	(200,000)	200,000
Payment of long-term debt	(129,132)	(706,562)
Payment of capital lease obligations	(298,321)	(165,746)
Net cash used in financing activities	(1,102,453)	(272,308)
Net increase in cash	1,182	7,810
Cash at beginning of year	33,481	25,671
Cash at end of year	$ 34,663	$ 33,481
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 129,676	$ 217,167
Income taxes paid	$ 116,476	$ 114,488

See accompanying notes.

S.E.A., Inc.

Notes to Financial Statements

December 31, 1997

1. DESCRIPTION OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

S.E.A., Inc. (the Company) provides data and evaluation related to fire investigation, product failure analysis, vehicle or accident reconstruction, and other services related to the investigation of catastrophic events. The Company provides services from seven locations in Ohio, Georgia, Missouri, Florida, Texas, North Carolina and South Carolina.

SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. Renewals and betterments that materially extend the life of the assets are capitalized. Furniture and equipment is depreciated over estimated lives ranging from 5 to 7 years, leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the lease term. The building under capital lease is depreciated over the 15 year lease term.

Revenue Recognition

The Company derives its revenues from professional service activities. The majority of these activities are provided under "time and materials" billing arrangements, and revenues, consisting of billed fees and expenses, are recorded as work is performed and expenses are incurred. Revenues recognized in excess of amounts billed to clients have been recorded as unbilled receivables in the accompanying balance sheets.

1. DESCRIPTION OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse.

2. BORROWINGS UNDER LINE OF CREDIT

The Company has a $500,000 revolving line of credit with a bank expiring on April 1, 1999. Borrowings under this line of credit bear interest at prime minus 1/8%, and are secured by accounts receivable, inventory and equipment. At December 31, 1997, $475,000 of this line of credit was available.

In connection with this line of credit, the Company is required to maintain covenants regarding certain financial statement amounts, ratios and activities of the Company.

3. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

Long-term debt and capital lease obligations consist of the following:

	1997	1996
Capitalized building lease, payable in monthly installments of $24,756 plus interest at 13.6% through December 1, 2001.	$ 728,894	$ 968,781
Capitalized computer equipment lease, payable in monthly lease installments of $1,381, including interest at 11%, through November, 1999	31,630	48,194

3. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (CONTINUED)

	1997	1996
Notes payable-bank for $700,000, payable in monthly installments of $14,127 including interest at 8.35%, due September, 2000, secured by inventory, accounts receivable, and equipment	405,662	477,093
Note payable - other	-	57,701
	1,166,186	1,551,769
Less: current portion	362,612	387,646
Long-term debt	$ 803,574	$1,164,123

Principal maturities of long-term debt and capital lease obligations are as follows:

YEAR ENDING DECEMBER 31,	
1998	$ 362,612
1999	408,430
2000	395,144
Total	$1,166,186

4. OPERATING LEASES

The Company is committed under noncancelable leases for various equipment, warehouse and office facilities, expiring at various dates through 2012. These leases require the Company to pay for insurance, real estate taxes, maintenance, sales tax, and escalations in operating expenses over the taxable base year. Total rental payments under the leases were $227,487 in 1997 and $205,216 in 1996 to outside lessors, and $42,000 in 1997 to a related party.

4. OPERATING LEASES (CONTINUED)

Future minimum rental payments under noncancelable operating leases are as follows:

1998	$ 267,561
1999	237,684
2000	213,543
2001	212,275
2002	177,551
Thereafter	231,683
Total	$1,340,297

5. RELATED PARTY TRANSACTIONS

The Company leases its office locations in Columbus, Ohio from S.E.A., Properties, an Ohio partnership, and GBDG, Ltd., an Ohio limited liability company, which are related to the Company through common ownership. (See Note 4).

In December, 1996, the Company sold certain real estate totaling $250,000 to GBDG, Ltd. A note receivable was established for $200,000. The terms of the note provide for monthly payments of principal and interest of $1,969. The note carries interest at 8.5% and is due January, 2012. The note receivable balance from GBDG, Ltd. as of December 31, 1997 and 1996 was $193,700 and $200,000, respectively.

6. PROFIT SHARING AND 401K PLANS

The Company has a Defined Contribution Profit Sharing Plan and a 401(k) plan that covers all eligible employees. Company contributions to the plans totaled $235,188 and $209,585 in 1997 and 1996, respectively. Profit sharing contributions are approved by the Board of Directors. The Company matches 25% of each employee 401(k) contribution up to 1% of total salary.

7. INCOME TAXES

Significant components of the Company's deferred tax assets and liabilities at December 31 are as follows:

	1997	1996
Deferred tax asset - non current:		
Building under capital lease	$ 165,361	$ 197,430
Tax depreciation in excess of book depreciation	(60,011)	(44,215)
Net deferred tax asset	$ 105,350	$ 153,215
Deferred tax liability - current:		
Use of cash basis for income tax purposes	$ 1,236,047	$ 1,183,801

Income tax expense (benefit) consisted of the following:

	1997	1996
Current:		
Federal	$ 261,500	$ 86,500
State	73,389	12,763
	334,889	99,263
Deferred:		
Federal	116,753	388,519
State	(18,642)	55,218
	98,111	443,737
Total	$ 433,000	$ 543,000

7. INCOME TAXES (CONTINUED)

The Company's provision for income taxes resulted in effective tax rates that varied from statutory federal income tax rates as follows:

	1997	%	1996	%
Expected federal income tax provision at 35%	$361,681	35.0%	$457,117	35.0%
Expenses not deductible for tax purposes	16,572	1.6	17,903	1.4
State income taxes, net of federal benefit	54,747	5.3	67,980	5.2
	$433,000	41.9%	$543,000	41.6%

8. SUBSEQUENT EVENT

On July 6, 1998, the Company's stockholders signed a letter of intent to sell all of the outstanding stock of S.E.A. Inc.

9. YEAR 2000 ISSUE (UNAUDITED)

The Company has developed a plan to modify its information technology to be ready for the year 2000 and is in the process of converting all of its critical data processing systems. The Company expects this project to be complete by mid-1999 and does not expect this project to have a significant effect on operations.

Unaudited Financial Statements

S.E.A., Inc.

Period ended June 30, 1998 and 1997

S.E.A., Inc.

Unaudited Financial Statements

Periods ended June 30, 1998 and 1997

CONTENTS

S.E.A., Inc.

Unaudited Balance Sheets

	JUNE 30 1998	JUNE 30 1997
ASSETS		
Current assets:		
Cash	$ 231,382	$ 203,941
Receivables:		
Trade (net of allowance for doubtful accounts of $15,000 in 1997 and 1996)	2,925,077	2,731,871
Unbilled	1,383,030	1,437,438
Total receivables	4,308,107	4,169,309
Other current assets	229,337	247,377
Total current assets	4,768,826	4,620,627
Property and equipment:		
Building under capital lease	1,575,000	1,575,000
Office equipment	1,146,195	1,095,434
Furniture and Equipment	372,486	384,173
Test machines	200,000	200,000
Office furniture	226,390	240,849
Leasehold improvements	123,934	123,934
Software and other assets	57,670	64,830
Total property and equipment	3,701,675	3,684,220
Accumulated depreciation	(2,850,255)	(2,689,159)
	851,420	995,061
Other Assets	70,119	219,845
Deferred tax asset	105,350	105,350
Total other assets	175,469	325,195
Total assets	$ 5,795,715	$ 5,940,883

	JUNE 30 1998	1997
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 77,737	$ 179,923
Current portion of capital lease obligations	643,573	840,867
Accounts payable	163,324	279,473
Accrued payroll	1,021,787	837,841
Income taxes payable	286,985	397,496
Deferred tax liability	1,316,484	1,236,047
Total current liabilities	3,509,890	3,771,647
Capital lease obligations, net of current portion	277,421	429,176
Total liabilities	3,787,311	4,200,823
Stockholders' equity:		
Common stock (no par value, 500 shares authorized, 60 shares issued and outstanding)	336	336
Additional paid-in capital	10,218	10,218
Retained earnings	1,997,850	1,729,506
Total Stockholders' equity	2,008,404	1,740,060
Total liabilities and shareholders' equity	$5,795,715	$5,940,883

See accompanying notes.

S.E.A., Inc.

Unaudited Statements of Operations

	PERIODS ENDED JUNE 30 1998	1997
Revenues	$ 8,533,221	$ 8,139,202
Direct cost of revenues	4,111,580	4,450,259
Selling, general and administrative expenses	3,526,555	2,231,095
Total costs and expenses	7,638,135	6,681,354
Income from operations	895,086	1,457,848
Other income and (expense):		
Other	-	-
Total other expense	-	-
Income before taxes	895,086	1,457,848
Provision for income taxes	366,985	597,718
Net income	$ 528,101	$ 860,130

See accompanying notes.

S.E.A., Inc.

Unaudited Statements of Stockholders' Equity

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
Balance at January 1, 1997	$ 336	$ 10,218	$ 869,376	$ 879,930
Net Income	-	-	860,130	860,130
Balance at June 30, 1997	336	10,218	1,729,506	1,740,060
Balance at January 1, 1998	$ 336	$ 10,218	$ 1,469,749	$ 1,480,303
Net Income	-	-	528,101	528,101
Balance at June 30, 1998	336	10,218	1,997,850	2,008,404

See accompanying notes.

S.E.A., INC.

Unaudited Statements of Cash Flows

	PERIOD ENDED JUNE 30 1998	1997
Operating activities		
Net income	$ 528,101	$ 860,130
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	78,753	106,644
Changes in assets and liabilities:		
Decrease in accounts receivable - trade	(336,955)	(133,607)
Decrease in accounts receivable - unbilled	(295,460)	(460,027)
Increase in notes receivable	7,500	6,300
Increase in prepaids and other current assets	43,237	67,719
Increase in accounts payable	119,266	128,519
Increase in accrued liabilities	419,970	296,131
Decrease in profit sharing payable	(235,188)	(209,585)
Increase in deferred tax liabilities	80,437	52,246
Increase (decrease) in income tax payable	(24,363)	303,650
Net cash provided by operating activities	385,298	1,018,120
INVESTING ACTIVITIES		
Proceeds from sale of fixed assets and real estate	3,876	-
Purchases of property and equipment, net	-	(45,858)
Net cash used in investing activities	3,876	(45,858)
FINANCING ACTIVITIES		
Net Decrease in line of credit	(25,000)	(500,000)
Repayment officers' notes payable and long term debt	(327,925)	(554,871)
Payment of capital lease obligations	160,469	253,069
Net cash used in financing activities	(192,456)	(801,802)
Net increase in cash	196,718	170,460
Cash at beginning of period	34,664	33,481
Cash at end of period	$ 231,382	$ 203,941

See accompanying notes.

S.E.A., INC.

Unaudited Notes to Financial Statements

June 30, 1998

1. DESCRIPTION OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

S.E.A., Inc. (the Company) provides data and evaluation related to fire investigation, product failure analysis, vehicle or accident reconstruction, and other services related to the investigation of catastrophic events. The Company provides services from seven locations in Ohio, Georgia, Missouri, Florida, Texas, North Carolina and South Carolina.

The accompanying unaudited combined financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 8-K and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting princples for complete financial statements. In the opinion of management all adjustments considered necessary for a fair presentation have been included

SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. Renewals and betterments that materially extend the life of the assets are capitalized. Furniture and equipment is depreciated over estimated lives ranging from 5 to 7 years, leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the lease term. The building under capital lease is depreciated over the 15 year lease term.

Revenue Recognition

The Company derives its revenues from professional service activities. The majority of these activities are provided under "time and materials" billing arrangements, and revenues, consisting of billed fees and expenses, are recorded as work is performed and expenses are incurred. Revenues recognized in excess of amounts billed to clients have been recorded as unbilled receivables in the accompanying balance sheets.

1. DESCRIPTION OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse.

2. RELATED PARTY TRANSACTIONS

The Company leases its office locations in Columbus, Ohio from S.E.A., Properties, an Ohio partnership, and GBDG, Ltd., an Ohio limited liability company, which are related to the Company through common ownership.

FTI CONSULTING, INC.
PRO FORMA STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1997

	FTI	(8) KK&A	KAHN	SEA	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
Revenues	$44,175,343	$5,489,863	$8,530,104	$16,070,069		74,265,379
Direct cost of revenues	23,564,284	2,719,803	6,190,134	9,455,754	(1,837,715)(3)	40,092,260
Selling,general and administrative Expenses	15,240,802	2,092,663	1,545,000	5,471,420	(552,715)(3) 1,586,170 (2)	25,383,340
Total costs and expenses	38,805,086	4,812,466	7,735,134	14,927,174	(804,260)	65,475,600
Income from operations	5,370,257	677,397	794,970	1,142,895	804,260	8,789,779
Other income (expense):						
Interest and other income	343,000	60,413	28,536	59,779		491,728
Interest expense	(170,000)	(19,800)		(169,301)	(2,572,250)(1)	(2,931,351
	173,000	40,613	28,536	(109,522)	(2,572,250)	(2,439,623
Income from continuing operations before income taxes	5,543,257	718,010	823,506	1,033,373	(1,767,990)	6,350,156
Income taxes	2,249,982	287,204	76,000	433,000	(171,598)(5)	2,874,588
Net income	3,293,275	430,806	747,506	600,373	(1,596,392)	3,475,568
Income available to common stock holders	$3,293,275	$430,806	$747,506	$600,373	($1,596,392)	3,475,568
Earnings Per Common Share:						
Net income per common share	$0.73					0.77
Earnings Per Common Share - Assuming Dilution:						
Net income per common share- assuming dilution	$0.70					0.74
Weighted average shares used in the calculation of basic and diluted earnings per commons share:						
Basic	4,528,627					4,528,627(4)
Diluted	4,697,517					4,697,517(4)

FTI CONSULTING, INC.
UNAUDITED PRO FORMA BALANCE SHEETS
SEPTEMBER 30, 1998

	FTI	KAHN	SEA	PRO FORMA ADJUSTMENTS		PRO FORMA COMBINED
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$3,442,103	($27,264)	$390,791			$3,805,630
Accounts receivable, net	7,613,666	739,222	2,934,929			11,287,817
Unbilled receivables, net	4,624,526	2,626,399	1,670,712			8,921,637
Income taxes receivable	0					-
Deferred income taxes	180,905					180,905
Prepaid expenses	1,942,937	59,522	(42,936)			1,959,523
TOTAL CURRENT ASSETS	17,804,137	3,397,879	4,953,496	-		26,155,512
PROPERTY AND EQUIPMENT:						
Buildings	411,241	-	-			411,241
Furniture and equipment	12,918,957	68,467	595,771			13,583,195
Leasehold improvements	1,609,462	-	-			1,609,462
	14,939,660	68,467	595,771	-		15,603,898
Accumulated depreciation and amortization	(8,303,878)	0	(19,450)			(8,323,328)
	6,635,782	68,467	576,321	-		7,280,570
Deferred Income taxes	(12,728)	-	105,350			92,622
Goodwill	15,431,244			31,295,896	(1)	47,154,640
				427,500	(2)	
Accumulated amortization	(432,660)	(34,000)	(54,185)			(520,845)
	14,998,584	(34,000)	(54,185)	31,723,396		46,633,795
Other assets	57,502		52,220			109,722
Investment in subsidiaries	35,630,000			(35,630,000)		-
						-
TOTAL ASSETS	$75,113,277	$3,432,346	$5,633,202	-$3,906,604		$80,272,221
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Accounts payable	$1,537,045	$44,160	$46,790	$427,500	(2)	$2,055,495
Due to Previous owner	$467,434	$80,526				$547,960
Line of Credit	$26,000,000					$26,000,000
Current note payable	10,650,000	-	-			10,650,000
Current Portion on Capital lease	102,374		16,574			118,948
Accrued compensation expense	1,531,120	264,232	997,623			2,792,975
Incomes tax payable	(617,343)	15,144	179,167			(423,032)
Advances from clients	472,609	(761)				471,848
Current deferred taxes	102,711	324,678	346,511			773,900
Other current liabilities	26,253	-	175,000			201,253
TOTAL CURRENT LIABILITIES	40,272,203	727,979	1,761,665	427,500		43,189,347
Long-term debt, less current portion	9,700,000		-			9,700,000
Other long-term liabilities	224,593		2,614			227,207
Deferred income taxes	401,463	974,033	1,039,535			2,415,031
Commitment and contingent liabilities						-
STOCKHOLDERS' EQUITY:						
Common stock, $.01 par value	47,819	100	336	(436)	(1)	47,819
Additional paid-in capital	16,190,087	-	10,218	(10,218)	(1)	16,190,087
Retained earnings	8,277,112	1,730,234	2,818,834	(4,323,450)	(1)	8,502,730
TOTAL STOCKHOLDERS' EQUITY	24,515,018	1,730,334	2,829,388	(4,334,104)		24,740,636
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$75,113,277	$3,432,346	$5,633,202	($3,906,604)		$80,272,221
	-	-	-	-		-

FTI CONSULTING, INC.
PRO FORMA STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998

	FTI	(6) KK&A	KAHN	SEA	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
Revenues	$39,470,337	$2,085,508	$6,255,631	$11,579,920		$59,391,396
Direct cost of revenues	21,419,389	1,340,490	2,981,965	5,753,456	(1,500,717)(3)	29,994,583
Selling,general and administrative Expenses	14,115,595	498,126	3,008,515	4,702,519	(133,333)(3) 1,299,118 (2)	23,490,539
Total costs and expenses	35,534,984	1,838,616	5,990,480	10,455,975	(334,932)	53,485,123
Income from operations	3,935,353	246,892	265,151	1,123,945	334,932	5,906,273
Other income (expense):						
Interest and other income	199,686		33,642			233,328
Interest expense	(620,602)				(2,075,250)(1)	(2,695,852)
	(420,916)	-	33,642	-	(2,075,250)	(2,462,524)
Income from continuing operations before income taxes	3,514,437	246,892	298,793	1,123,945	(1,740,318)	3,443,749
Income taxes	1,458,873	81,000	27,500	355,156	(329,909)(5)	1,592,620
Net income	2,055,564	165,892	271,293	768,789	(1,410,408)	1,851,130
Income available to common stock holders	$2,055,564	$165,892	$271,293	$768,789	($1,410,408)	$1,851,130
Earnings Per Common Share:						
Net income per common share	$0.44					$0.39
Earnings Per Common Share - Assuming Dilution:						
Net income per common share-assuming dilution	$0.41					$0.36
Weighted average shares used in the calculation of basic and diluted earnings per commons share:						
Basic	4,705,927					4,705,927(4)
Diluted	5,075,076					5,075,076(4)

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The unaudited pro forma financial statements give retroactive effect to the acquisition of Kahn Consulting Inc. and Affliate ("KCI") by the Company effective September 17, 1998 (the date that control of KCI was transferred to the Company) and the acquisition of S.E.A., Inc. ("SEA") by the Company effective September 1, 1998 (the date that control of SEA was transferred to the Company). Both acquisitions were accounted for by the Company as a purchase.

Pro forma adjustments to the unaudited pro forma combined statements of income assume that the transaction was consummated on January 1, 1997, and are based on the allocated purchase price as reported in the unaudited combined balance sheet as filed in the Company's quarterly report on Form 10-Q for the quarter ended September 30, 1998. These adjustments are described below.

The purchase price for the acquisition of KCI of $20,000,000, plus estimated expenses of $206,250, includes an initial payment of $10,000,000 with the remainder evidenced by a note payable bearing interest at 7.5%. The purchase price was allocated as follows:

	(in thousands)
Assets acquired:	
Cash	$ 1
Accounts receivable	3,172
Prepaid expenses	62
Property and equipment	68
Goodwill	18,498
Total assets	$ 21,801
Liabilities assumed:	
Accounts payable and accrued expenses	$ 296
Current deferred tax	325
Long-term deferred tax liability	974
	1,595
Total purchase price	$ 20,206

The purchase price for the acquisition of SEA of $15,630,000, plus estimated expenses of $216,250, includes an initial payment of $10,000,000 with the remainder evidenced by a note payable bearing interest at 7.5%. The purchase price was allocated as follows:

	(in thousands)
Assets acquired:	
Cash	$ 300
Accounts receivable	4,367
Prepaid expenses	229
Property and equipment	584
Goodwill	13,221
Total assets	$ 18,701
Liabilities assumed:	
Accounts payable and accrued expenses	$ 1,300
Current portion of long-term debt and capital lease obligations	275
Current deferred tax	347
Long-term deferred tax liability	933
	2,855
Total purchase price	$ 15,846

The value of goodwill will be amortized over a twenty-year period, and will be reviewed if the facts and circumstances suggest that the value of the goodwill is impaired, based on an analysis of future cash flows from the KCI and SEA businesses. If this review indicates that the goodwill will not be recoverable, the Company's carrying value of the goodwill will be reduced accordingly.

These unaudited pro forma combined financial statements may not be indicative of the results that may be obtained in the future. The unaudited pro forma combined financial statements, including the notes thereto, should be read in conjunction with the historical financial statements of the Company, KCI and SEA.

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS - (Concluded)

(1) Adjustment to reflect interest expense on the $45.63 million promissory notes, which bear interest at rates from 7.0% to 7.5%, issued in connection with the acquisitions.

(2) Adjustment to reflect the additional amortization of goodwill which is amortized over an estimated useful life of 20-year period.

(3) In connection with the acquisitions, the Company entered into employment agreements with the stockholders and executive officers of KCI and SEA. The future amount of compensation to be paid to these officers, who will have substantially the same duties and responsibilities, will be less than the amounts paid in periods prior to the acquisitions. The pro forma adjustment assumes that the officers had received the reduced amount of compensation for the year ended December 31, 1997 and for the nine months ended September 30, 1998.

(4) Weighted average shares used in calculating basic and diluted earnings per share are the same as reported in the Company's historical consolidated financial statements.

(5) Adjustment to reflect (i) taxation of KCI as a C-corporation. KCI was organized as an S-Corporation and taxes principally at the shareholder level and (ii) the income tax effects of other proforma adjustments. The assumed effective income tax rate is 45%.

(6) Klick, Kent & Allen (KK&A) was acquired June 1, 1998. The pro forma statement of income for the year ended December 31, 1997 includes unaudited pro forma financial data of KK&A for the year ended December 31, 1997 as presented in the Form 8K filed with the Securities and Exchange Commission on July 17, 1998. The unaudited statement of income for the six months ended June 30, 1998 includes five months of activity for the period prior to acquisition of January 1, 1998 to May 31, 1998. The pro forma adjustments assume that the transactions were consummated on June 30, 1998.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

FTI CONSULTING, INC.
(Registrant)

By: /s/ Gary Sindler

Gary Sindler
Executive Vice President and Chief
Financial Officer, Secretary and Treasurer

DATED: November 30, 1998

INDEX TO EXHIBITS

EXHIBIT NO.	EXHIBIT
23.1	Consent of Ernst & Young LLP.

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the following Registration Statements of FTI Consulting, Inc. our reports (a) dated July 24, 1998 with respect to the combined financial statements of Kahn Consulting, Inc. as of and for the years ended December 31, 1996 and 1997, and (b) dated July 31, 1998 with respect to the financial statements of S.E.A. Inc. as of and for the years ended December 31, 1996 and 1997, each included in the Current Report (Form 8-K/A) filed with the Securities and Exchange Commission.

REGISTRATION STATEMENT ON FORM S-8

NAME	REGISTRATION NUMBER	DATE FILED
1992 Stock Option Plan (As Amended)	33-19251	January 3, 1997
1997 Stock Option Plan	33-30357	June 30, 1997
Employee Stock Purchase Plan	33-30173	June 27, 1997

Baltimore, Maryland
December 1, 1998