

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

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**FORM 8-K**

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**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, 2004**

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**FTI CONSULTING, INC.**

(Exact name of registrant as specified in charter)

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**Maryland**  
(State or other jurisdiction  
of incorporation)

**001-14875**  
(Commission File Number)

**52-1261113**  
(IRS Employer  
Identification No.)

**900 Bestgate Road, Suite 100, Annapolis, Maryland 21401**  
(Address of principal executive offices) (Zip Code)

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

**Not Applicable**

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(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

**Employment Agreement Dated as of September 20, 2004 with Dennis J. Shaughnessy, with an Effective Date of October 18, 2004.**

FTI Consulting, Inc. ("FTI") entered into an employment agreement with Dennis J. Shaughnessy as of September 20, 2004 (the "Employment Agreement"), with an effective date of October 18, 2004 (the "Shaughnessy Effective Date"). The employment agreement provides that during its five-year term, Mr. Shaughnessy will serve as the full-time Chairman of the Board of Directors of FTI, which is an executive officer's position with FTI. Mr. Shaughnessy is currently a director of FTI and will continue to serve in that capacity as a management director. No other material relationship currently exists between Mr. Shaughnessy and FTI.

In consideration for Mr. Shaughnessy's services, he will receive an annual base salary of \$1.0 million for 2004, and will be entitled to participate in FTI's incentive compensation and other bonus plans adopted by the Board of Directors or Compensation Committee of the Board and in FTI's health, pension and other benefit plans. Mr. Shaughnessy's annual salary is subject to annual increases at the discretion of the Compensation Committee of the Board of Directors but the Compensation Committee may not decrease his annual salary. On the Shaughnessy Effective Date, Mr. Shaughnessy will be awarded an option for 200,000 shares of FTI's common stock (the "Shaughnessy Option Grant") pursuant to FTI's 2004 Long-Term Incentive Plan (the "2004 Plan"), with an exercise price calculated as of the close of trading of shares of FTI's common stock on the New York Stock Exchange on the date of grant, which will be the Shaughnessy Effective Date. The Shaughnessy Option Grant will vest in three equal installments beginning on the Shaughnessy Effective Date and on the first and second anniversaries of such date, provided Mr. Shaughnessy is employed with FTI on each such anniversary, such that the Shaughnessy Option Grant will be fully vested on the second anniversary of the Shaughnessy Effective Date. The Shaughnessy Option Grant and all outstanding past and future equity-based or similar awards granted to Mr. Shaughnessy will vest in full immediately before certain events, such as a "change in control" (as defined in the Employment Agreement), or termination of Mr. Shaughnessy's employment by FTI without "cause" (as defined in the Employment Agreement), or by Mr. Shaughnessy with "good reason" (as defined in the Employment Agreement), or on Mr. Shaughnessy's death or "disability" (as defined in the Employment Agreement). In addition, Mr. Shaughnessy will receive an award of restricted stock under the 2004 Plan with a value of \$3,000,000 at the Shaughnessy Effective Date (the "Shaughnessy Equity Grant"). The Shaughnessy Equity Grant will vest in ten equal installments, beginning on the first anniversary of the Shaughnessy Effective Date and continuing on the following nine anniversaries of the Shaughnessy Effective Date, provided that, Mr. Shaughnessy is employed with FTI on each such anniversary, such that the Shaughnessy Equity Grant will be fully vested on the tenth anniversary of the Shaughnessy Effective Date. The Shaughnessy Equity Grant and all outstanding past and future equity-based or similar awards granted to Mr. Shaughnessy will vest in full immediately before certain events, such as a "change in control,"

or termination of Mr. Shaughnessy's employment by FTI without "cause," or by Mr. Shaughnessy with "good reason," or on Mr. Shaughnessy's death or "disability." Vesting of option grants and equity grants will continue through the Shaughnessy Transition Term (as defined below).

Depending on whether Mr. Shaughnessy leaves the employment of FTI with or without "cause," with or without "good reason," upon his death or "disability" or for another reason, including a departure due to a "change of control," he will continue to receive certain payments and benefits (or after-tax cash payments to reimburse the cost of benefits) specified under his Employment Agreement. In addition, if Mr. Shaughnessy's employment term expires or earlier terminates, Mr. Shaughnessy will continue to provide services to FTI, as a part-time employee for five years (the "Shaughnessy Transition Term"), of not more than 500 hours of service for each 12-month period, at FTI's offices in Annapolis, Maryland. During the Shaughnessy Transition Term, in lieu of his salary, FTI will pay Mr. Shaughnessy an annual transition payment of \$200,000. Upon the expiration of the Shaughnessy Transition Term, Mr. Shaughnessy will be entitled to receive any unreimbursed business expenses, any vested benefits under FTI's pension or other benefit plans, and continued health and life insurance benefits for him and his family the cost of which would be borne by Mr. Shaughnessy.

Mr. Shaughnessy's agreement contains non-competition terms that will continue for three years from the last day of his employment. During this period, Mr. Shaughnessy also will be prohibited from soliciting any entity or person that has been a client, customer, employee or contractor of FTI to terminate its relationship with FTI.

A copy of the Employment Agreement with Mr. Shaughnessy will be filed as an exhibit to FTI's Quarterly Report on Form 10-Q for the quarter ending September 30, 2004.

**Amendment Dated as of September 23, 2004, to Employment Agreement Dated as of November 5, 2002 Between FTI Consulting, Inc. and Jack B. Dunn, IV.**

FTI entered into an amendment (the "Amendment") dated as of September 23, 2004 (the "Amendment Date"), to the Employment Agreement dated as of November 5, 2002 (the "Dunn Employment Agreement"), between FTI and Jack B. Dunn, IV, to reflect that as of October 18, 2004, Mr. Dunn will hold the offices of Chief Executive Officer and President of FTI. In accordance with the Amendment, Mr. Dunn has agreed to waive any right he might have otherwise had under the Dunn Employment Agreement to resign for "good reason" (as defined in the Dunn Employment Agreement based on the change in title and responsibilities described in the Amendment). This waiver in no way affects Mr. Dunn's right or entitlement to exercise "good reason" resignation rights under the Dunn Employment Agreement based on other or future circumstances, including but not limited to additional changes to his title and/or responsibilities beyond those contemplated by the Amendment.

The Amendment extends the renewal options under the Dunn Employment Agreement. The three-year initial term of the Dunn Employment Agreement will automatically extend by one year effective at the close of business on the day before the first, second, third, fourth and fifth anniversaries of the November 5, 2002 initial effective date of the Dunn Employment Agreement, unless by such date Mr. Dunn or FTI gives the other notice of an intention not to further extend the term. Prior to the Amendment, Mr. Dunn's employment term with all extensions would expire on November 5, 2008. As amended by the Amendment, with all extensions, Mr. Dunn's employment term would expire on November 5, 2010. As compensation to Mr. Dunn for agreeing to extend the renewal options under his employment and for other agreements in the Amendment, the Amendment provides that Mr. Dunn will receive an award of restricted stock under FTI's 2004 Plan with a value of \$1,000,000 (the "Dunn Equity Grant") as of the Amendment Date. The Dunn Equity Grant will vest in five equal installments, beginning on the first anniversary of the Amendment Date and continuing on the following four anniversaries of the Amendment Date, provided that, Mr. Dunn is employed with FTI on each such anniversary, such that the Dunn Equity Grant will be fully vested on the fifth anniversary of the Amendment Date. The Dunn Equity Grant and all outstanding past and future equity-based or similar awards granted to Mr. Dunn will vest in full immediately before certain events, such as a "change in control" (as defined in the Dunn Employment Agreement), or termination of Mr. Dunn's employment by FTI without "cause" (as defined in the Dunn Employment Agreement), or by Mr. Dunn with "good reason," or on Mr. Dunn's death or "disability" (as defined in the Dunn Employment Agreement). The Amendment also provides that the term during which Mr. Dunn will continue to provide services to FTI as a part-time employee will be extended from three to five years (the "Dunn Transition Term"). Vesting of option grants and equity grants to Mr. Dunn will continue through the Dunn Transition Term. The terms and conditions of the Dunn Employment Agreement will not otherwise change.

A copy of the Amendment to Mr. Dunn's Employment Agreement will be filed as an exhibit to FTI's Quarterly Report on Form 10-Q for the quarter ending September 30, 2004. Mr. Dunn's Employment Agreement has previously been filed as an exhibit to FTI's Form 10-K for the year ended December 31, 2002 filed with the Securities and Exchange Commission on March 27, 2003.

**Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.**

**Appointment of Chairman of the Board and Other Officer Changes Effective October 18, 2004.**

On September 17, 2004, the Board of FTI authorized the Shaughnessy Employment Agreement and the appointment of Dennis J. Shaughnessy as Chairman of the Board as of October 18, 2004. Mr. Shaughnessy will assume the position of Chairman of the Board from Jack B. Dunn, IV, who currently services in that position. Chairman of the Board is an executive officer's position with FTI. Mr. Shaughnessy will continue to be a director of FTI. The description of the Shaughnessy Employment Agreement is incorporated herein by reference from Item 1.01 of this Current Report on Form 8-K.

As of October 18, 2004, Mr. Dunn will no longer hold the position of Chairman of the Board of FTI. He will continue to hold the offices of Chief Executive Officer and President of FTI and will be a director of FTI. The description of the Amendment to the Dunn Employment Agreement is incorporated by reference from Item 1.01 of this Current Report on Form 8-K.

**Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

**Amendment No. 5 to By-Laws of FTI.**

Pursuant to authority granted to the Board of Directors of FTI under Article XIII, Section 1 of the By-Laws of FTI, and consistent with the Corporations and Associations Article of the Maryland Annotated Code, on September 17, 2004, the Board of Directors approved amendments to Article V, Sections 1 and 5, of the By-Laws of FTI to provide that the position of Chairman of the Board, an executive officer's position with FTI, will report to both the Board and the Chief Executive Officer of FTI.

**Item 5.05. Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.**

On September 17, 2004, FTI's Board of Directors authorized the amendment and restatement of FTI's Policy on Ethics and Business Conduct ("Ethics Policy"), which was previously filed as Exhibit 14.0 to FTI's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 19, 2004. The Ethics Policy has been amended to reflect the separation of the positions of Chairman of the Board and Chief Executive Officer.

**Item 7.01. Regulation FD Disclosure**

A copy of the Press Release dated September 23, 2004, announcing the separation of the positions of Chairman of the Board and Chief Executive Officer, the appointment of Mr. Shaughnessy as Chairman of the Board as of October 18, 2004 and the amendment of FTI's employment agreement with Mr. Dunn is filed as Exhibit 99.1 to this Current Report on Form 8-K and is hereby incorporated herein by reference. The information included in this Item 7.01, including Exhibit 99.1 attached hereto, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing.

**Item 8.01. Other Events.****Amendments to FTI's Corporate Governance Guidelines and Policies and Committee Charters.**

On September 17, 2004, our Board of Directors adopted a flexible policy allowing for the separation of the positions of Chairman of the Board and Chief Executive Officer of FTI. The Nominating and Corporate Governance Committee of the Board of FTI has recommended, and the Board and the applicable Committees of the Board, as required, have authorized that the Corporate Governance Guidelines and other governance policies of FTI and the charters of the Committees of the Board be amended and restated as of September 17, 2004 as necessary to reflect that change and for certain other non-substantive changes. The amended and restated Corporate Governance Guidelines, other governance policies and charters are available on FTI's website at [www.fticonsulting.com](http://www.fticonsulting.com), or you may request copies of those documents by contacting Joanne F. Catanese, Corporate Secretary, at 900 Bestgate Road, Suite 100, Annapolis, MD 21401.

**Item 9.01. Financial Statements and Exhibits.***Exhibits*

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| 3.2                | Amendment No. 5 to By-Laws of FTI Consulting, Inc., as of September 17, 2004.             |
| 14.0               | Policy on Ethics and Business Conduct, as amended and restated, as of September 17, 2004. |
| 99.1               | Press Release of FTI Consulting, Inc., dated September 23, 2004.                          |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, FTI has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FTI CONSULTING, INC.

Dated: September 23, 2004

By: /s/ THEODORE I. PINCUS

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Theodore I. Pincus  
Executive Vice President and  
Chief Financial Officer

EXHIBIT INDEX

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| 99.1               | Press Release of FTI Consulting, Inc., dated September 23, 2004.                          |



AMENDMENT NO. 5 TO BY-LAWS  
OF  
FTI CONSULTING, INC.

Pursuant to Article XIII, Section 1 of the By-Laws of FTI Consulting, Inc. (the "Corporation"), the By-Laws have been amended as follows:

1. Article V, Section 1 is deleted in its entirety and replaced with the following:

"SECTION 1. General Provisions. The officers of the Corporation shall be a chief executive officer, chairman of the board of directors, president, one or more vice presidents, a secretary, and treasurer and such other officer positions as the Board of Directors from time to time may consider necessary or advisable and may authorize for the proper conduct of the business of the Corporation. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of stockholders. The Board of Directors may grant to the chief executive officer, the president and any other officer it shall designate from time to time the authority to appoint members of a class of officer of the Corporation, subject to such conditions, if any, it shall determine. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor is elected and qualifies or until his death, resignation or removal in the manner hereinafter provided. Any two or more officers except president and vice president may be held by the same person. In its discretion, the Board of Directors may leave unfilled any office except that of chief executive officer, treasurer and secretary. The election or appointment of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent."

2. Article V, Section 5 is deleted in its entirety and replaced with the following:

SECTION 5. Chairman and Vice Chairman of the Board of Directors. The chairman of the board of directors shall preside over the meetings of the Board of Directors and of the stockholders at which he shall be present. In the absence of the chairman of the board of directors, the vice chairman of the board of directors shall preside at such meetings at which he shall be present. The chairman of the board of directors and the vice chairman of the board of directors shall perform, respectively, such other duties as may be assigned to him or them by the chief executive officer or the Board of Directors.

The undersigned, being the Secretary of the Corporation, hereby certifies that this Amendment No. 5 to the By-Laws of the Corporation has been duly adopted by the Board of Directors of the Corporation effective as of September 17, 2004.

/s/ Joanne F. Catanese

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Joanne F. Catanese, Secretary



**FTI CONSULTING, INC.  
POLICY ON ETHICS AND BUSINESS CONDUCT**

**Amended and Restated Effective as of September 17, 2004**

**Statement of General Policy.**

This Policy on Ethics and Business Conduct (“Policy”) shall guide and govern the directors, officers and employees of FTI Consulting, Inc. (the “Company”), including, without limitation, the Company’s chairman of the board, principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions, in the performance of their duties, and should be read in conjunction with the Company’s other policies on corporate conduct.

The statements contained herein regarding “Conflicts of Interest” and “Insider Trading and Insider Information” are summaries of more detailed policies on these subjects, which are given to employees and directors, are in an employee handbook and posted on the Company’s website, which are incorporated by reference herein. The reference to “Disclosure Controls” is a summary of a policy adopted by the Company and posted on the Company’s website. All policies have been approved by the Company’s Board of Directors.

The basic principle that governs the Company’s officers, directors and employees is that the Company’s business should be carried on with fidelity to the interest of its stockholders, customers, suppliers, co-workers, strategic partners and other business associates. No one covered by this Policy shall: (a) employ any device, scheme or artifice to defraud the Company or another party, or (b) engage in any act, practice or course of conduct that operates or would operate as fraud or deceit upon the Company or another party.

The Company is committed to the highest standard of business conduct and conducts business in accordance with the spirit and letter of applicable laws and regulations and in accordance with ethical business practices. This Policy applies to Insiders (as defined below) and their Family Members (as defined below), who are also responsible for complying with the laws and regulations applicable to the Company, and stands as a statement of the fundamental principles that govern the conduct of the Company’s business.

Last Amended September 17, 2004

1. **Definitions of Terms**

- (a) **Authorized Officers** means the Chairman of the Board, Chief Executive Officer, President, Chief Operating Officer, an Executive Vice President and Chief Financial Officer.
- (b) **Business Associates** are suppliers of services and materials, customers, consultants, advisors, lessors of space or goods, tenants, licensors, licensees or partners of the Company.
- (c) **Company** includes FTI Consulting, Inc. and each of its subsidiaries and affiliated business entities and includes by reference officers, directors and employees.
- (d) **Compliance Officer** shall mean the Chief Financial Officer (“CFO”) of the Company or other employee designated by the Board and charged with monitoring the business practices and activities of the officers, directors, senior management and their families in regard to Insider activity and prohibited and unacceptable business activities.
- (e) **Family Members** include the spouse, life partner, children and any other relatives (by blood or marriage) of an Insider or spouse or life partner residing in the same household as such Insider, and any company, partnership, limited liability company, trust or other entity that is directly or indirectly controlled by the Insider or by any Family Member of that Insider.
- (f) **Insider** means any officer, director or employee of the Company.
- (g) **Material Inside Information** is Non-public Information as to which (1) there is a substantial likelihood that a reasonable investor would find the information important in determining whether to trade in a security, or (2) if made public, would likely affect the market price of a company’s securities. Inside information typically includes, but is not limited to, knowledge of pending business transactions, corporate financial activity, mergers or acquisitions, unannounced earnings, financial results and other significant developments.
- (h) **Non-public Information** means information that has not been publicly disclosed with adequate time passing for the securities markets to absorb the information. A delay of two (2) business days is usually considered a sufficient period for routine information to be absorbed by the market. A longer period may be necessary for particularly significant or complex matters.

2. **Insider Transactions**

The Company and its employees are encouraged to do business with Business Associates in the normal course of their affairs, however,

- (a) Insiders and their Family Members must not profit, directly or indirectly, through their position, to the detriment or at the expense of the Company or any Business Associate, nor shall Insiders take personal advantage of any corporate opportunity for profit, learned about in his or her position with the Company to the detriment or at the expense of the Company.

- (b) Except in the ordinary course, an Insider or Family Member should not: (i) sell or purchase any goods or services, or (ii) borrow money or other property from a Business Associate, unless that Business Associate is regularly engaged in such business and the sale of goods or loan and its terms are in the ordinary course of the Business Associate's business.
- (c) Insiders shall not make any payment or take any action with a government official, agent or representative of the United States, a state or jurisdiction in the United States or a foreign country in regard to a matter involving the Company, without the prior consent of the Compliance Officer, nor make any payment or take any action in violation of the U.S. Foreign Corrupt Practices Act.
- (d) Insiders shall comply with terms of the Company's "Policy on Inside Information and Insider Trading."

3. **Non-Disclosure of Information**

- (a) No Insider or Family Member shall discuss or inform others about an actual or contemplated business transaction by a Business Associate or the Company, except in the performance of employment duties or in an official capacity, and then only for the benefit of the Business Associate or the Company, and not for personal gain.
- (b) No Insider or Family Member shall give information to a third party about a proposed or pending business transaction of the Company or its Business Associates, unless expressly authorized to do so by the Compliance Officer.
- (c) No one other than the Company's Authorized Officers may discuss the Company or its Business Associates with any member of the press or media, except with the prior authorization of an Authorized Officer. Insiders and Family Members shall refer all press inquiries to an Authorized Officer.

4. **Preferential Treatment and Gifts**

No Insider shall seek or accept for himself or Family Members any favors, preferential treatment, special benefits, documents, gifts or other consideration, other than of nominal value, as a result of the Insider's association with a Business Associate or the Company, except those usual and normal benefits provided by a Business Associate or the Company.

5. **Conflicts of Interest**

- (a) Insiders shall maintain integrity and independence of judgment in the conduct of the Company's business, avoid activity or personal interests that create, or appear to create, a conflict between his or her interests and the interests of the Company.

- (b) Conflicts of interest arise any time an Insider has a duty or interest that may conflict with the proper and impartial fulfillment of the Insider's duties, responsibilities or obligations to the Company, and include, but are not limited to: (1) making an investment that may affect his or her business decisions, (2) owning a controlling financial interest in, or, being employed by, an entity that competes with the Company, (3) owning a meaningful financial interest in, or being employed by, an entity that does, or seeks, business with the Company, (4) making a material decision on a matter where a person's self-interests call the decision into question, or (5) being employed by or accepting compensation from a person as a result of business activity or prospective business activity affecting the Company.
- (c) An Insider who becomes aware of a personal interest that is, or may be viewed as, in conflict with him or her should promptly present the situation and the nature of the possible conflict to the Compliance Officer. A director that becomes aware of a conflict should bring the matter to the attention of the Chairman of the Board or Chief Executive Officer, unless such officer is disqualified, and if so to the Board of Directors.
- (d) No Insider or Family Member shall personally benefit, directly or indirectly from any Company purchase or sale, or derive any other personal gain from any other Company activity, except when the transaction has been fully disclosed and approved in writing.
- (e) No Insider or Family Member shall have meaningful personal or financial interests in any Business Associate or competitor of the Company, without written consent. For such purposes, holding 5% or less of the shares of a Business Associate or competitor whose shares are publicly traded is not "meaningful."
- (f) No Insider shall hold any position with, including as a member of the board of directors or other governing body, or perform services for, a Business Associate or a competitor of the Company, without written consent.
- (g) No Insider shall provide services to business enterprises which could reasonably be deemed to adversely affect the performance of his or her work for the Company or which might jeopardize the Company's interests, including serving as a director, officer, consultant or advisor of another business, without written consent.
- (h) No Insider shall direct, or seek to direct, Company business with any business enterprise in which the Insider or his or her Family Member has a meaningful ownership position or serves in a leadership capacity, without written consent.
- (i) Insiders and Family Members shall comply with the terms of the Company's "Policy on Conflicts of Interest."

6. **Inside Information**

- a) Securities laws and regulations prohibit the use of Material Inside Information when purchasing, selling or recommending securities.

- b) Insiders and Family Members are prohibited from insider trading (trading securities when in possession of material, Non-public Information) or tipping (passing such information on to someone who may buy or sell securities).
- c) This prohibition on insider trading applies to Company securities and the securities of Business Associates if such person learns Material Inside Information about them as a result of his or her position with the Company.
- d) If an Insider leaves the Company, he or she must maintain the confidentiality of all Material Inside Information until it has been disclosed to the public. If there is a question as to whether such information is material or has been disclosed to the public, the Compliance Officer must be contacted to make a determination.

7. **Prohibition Against Unfair Dealing**

No Insider shall knowingly take advantage of corporate opportunities for personal benefit or act inconsistently with Insider's obligations to Business Associates and employees. Each Insider shall make an effort to deal fairly with the Company's Business Associates, competitors and employees and shall not take unfair advantage of such parties through manipulation, concealment, abuse of privileged information obtained as a result of the Insider's position with the Company, misrepresentation of material facts or any other practice involving unfair dealing.

8. **Guarding Corporate Assets**

Insiders have a duty to safeguard the Company's assets, including its physical premises and equipment, records, customer information and the Company's trademarks, trade secrets and other intellectual property. The Company's assets shall be used for the Company's business only. Without specific authorization, no Insider or Family Member may take, loan, sell, damage or dispose of the Company's property or use, or allow others to use, the Company's property for any non-Company purposes.

9. **Corporate Books and Records**

- (a) Insiders must ensure that all Company documents are completed accurately, truthfully, in a timely manner and properly authorized.
- (b) Financial activities and transactions must be recorded in compliance with all applicable laws and accounting practices and in accordance with the generally accepted accounting principles designated by the Company. The making of false or misleading entries, records or documentation is strictly prohibited.
- (c) Insiders shall not create false or misleading reports under the Company's name, use established accounts for any purpose other than as described by their documentation, and no undisclosed funds or assets may be established.

- (d) Insiders may not take any action to defraud, influence, coerce, manipulate or mislead another employee, officer, director, outside auditor or lawyer for the Company to render the books, records or financial statements of the Company incorrect or misleading.
- (e) Errors, or possible errors or misstatements in the Company's books and records must be brought to the attention of the Compliance Officer promptly upon discovery thereof. The Compliance Officer shall promptly inform the Authorized Officers of any such error or misstatement.
- (f) Insiders shall cooperate fully with the Company's internal and external auditors and shall not impede or interfere with the financial statement audit process.

10. **Document Retention**

- (a) The Company seeks to comply fully with all laws and regulations relating to the retention and preservation of records. Insiders shall comply fully with the Company's policies regarding the retention and preservation of records, including those set forth in the Company's Whistleblower Policy. Under no circumstances may Company records be destroyed selectively or maintained outside the Company's premises or designated storage facilities or in contravention of the Company's policies.
- (b) If the existence, threat or possibility of a subpoena or impending government investigation becomes known to an Insider, he or she must immediately contact the Compliance Officer and retain all records and documents that may be responsive to a subpoena or pertain to an investigation. Questions regarding the relevance of a record or document to an investigation or whether the document is responsive to a subpoena should be directed to the Compliance Officer before any record or document is destroyed. Insiders shall strictly adhere to the directions of the Compliance Officer in handling records or documents.

11. **Compliance with Internal Controls and Disclosure Controls**

- (a) The Company adopted a system of internal controls that Insiders must strictly adhere to in providing financial and business information within the Company. Insiders shall promptly report to the Compliance Officer: (i) actual or suspected breaches or violations of internal controls that come to the attention of the Insider, and (ii) actual or suspected fraudulent or questionable transactions or events known to the Insider, which include, but are not limited to: embezzlement, forgery or alteration of checks and other documents, theft, misappropriation or conversion to personal use of the Company's assets, and falsification of records.
- (b) The Company has adopted a system of disclosure controls to assure that all information regarding the business and prospects of the Company is brought to the attention of the Company's officers. The accuracy and timeliness of compliance is critical to this system of disclosure controls and necessary to enable those officers to provide the financial statement and periodic report certifications required by federal law.



- (c) Insiders shall strictly adhere to the system of disclosure controls, including the internal reporting responsibilities assigned to him or her by the Company. Insiders should inform the Compliance Officer of any changes that they believe may improve the Company's system of internal controls.
- (d) Each Insider shall promptly report in accordance with Company policy any significant event or occurrence (whether positive or negative) that arises in the course of the Insider's duties and responsibilities. Events or occurrences include those that affect or may affect the Company or its Business Associates, competitors or industry. General economic conditions need not be reported.
- (e) Insiders shall be candid in discussing matters concerning internal controls and business disclosures with the Company's management, internal auditors, outside auditors, outside counsel and directors. Factual information is important, and opinions and observations are strongly encouraged.

12. **Implementation of the Policy**

While each Insider is individually responsible for compliance with the Policy, he or she does not do so in a vacuum. The Company has the resources, people and processes in place to answer questions and guide Insiders through difficult decisions.

- (a) **Reporting Violations**. If an Insider knows of or suspects a violation of law, regulations, this Policy, or any of the Company's other policies, he or she must immediately report that information to the Company's Compliance Officer, General Counsel or to the Company's hotline. Insiders who report an actual or suspected violation shall not be subject to retaliation.
- (b) **The Company's Hotline**. The Company has a 24-hour hotline which can be used to report actual or suspected violations of applicable law or regulations, this or any other Company policy, including theft of Company property or other business abuse. To the extent possible, all calls will be kept confidential.
- (c) **Investigations of Violations**. To the extent possible, violations will be promptly investigated and treated confidentially. Those reporting violations should not conduct preliminary investigations of his or her own, as investigations of alleged violations may involve complex legal issues and no one should compromise the integrity of an investigation and adversely affect themselves and the Company.

13. **Enforcement**

The Compliance Officer will take the action he or she deems appropriate with respect to any Insider or Family Member who violates this Policy, and will inform the

Board Of Directors of all material violations. Any alleged violation of this Policy will be presented promptly to the Chairman of the Board, Chief Executive Officer, Presiding Director of the non-management directors and the Chair Audit Committee of the Board for consideration and such action as the Audit Committee, in its sole judgment, deems warranted. The Compliance Officer will keep records of all reports created and actions taken under this Policy, and all records will be maintained in a manner and for the periods required under applicable federal and state law.

14. **Condition of Employment or Service**

Insiders shall conduct themselves in the best interests of the Company, and compliance with this Policy is to be a condition of continued employment and conduct not in accordance with this Policy shall constitute grounds for disciplinary action, including termination of employment.

This Policy is not an employment contract nor is it intended to be an all inclusive policy statement on the part of the Company, which reserves the right to provide the final interpretation of the policies contained herein and revise those policies as deemed necessary or appropriate.

15. **Amendments and Waivers of the Policy**

- (a) Waivers of the Policy for directors or executive officers may only be made by the Board of Directors or a committee of the Board that is granted such authority.
- (b) The Company shall promptly disclose on either Form 8-K within the prescribed reporting deadline or on the Company's website (if the Company has previously informed investors in its annual report on Form 10-K that it will make such disclosure on its website) (a) the nature of any amendment to the Policy that applies to the Company's principal executive officers, principal financial officer, principal accounting officer or controller, or persons performing similar functions and (b) the nature of any waiver, including an implicit waiver, from a provision of the Policy granted by the Company to a director or executive officer, including those officers listed above, the name of the person to whom the Company granted the waiver and the date of the waiver.

FOR FURTHER INFORMATION:

RE: FTI Consulting, Inc.

**AT FTI CONSULTING:**

Jack Dunn  
Chairman, President & CEO  
(410) 224-1483

**AT FINANCIAL RELATIONS BOARD:**

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**FOR IMMEDIATE RELEASE**  
**THURSDAY, SEPTEMBER 23, 2004**

**DENNIS SHAUGHNESSY TO JOIN FTI CONSULTING, INC.**

**ANNAPOLIS, MD, September 23, 2004**—**FTI Consulting, Inc. (NYSE: FCN)**, Jack Dunn, Chairman, President and Chief Executive Officer of **FTI Consulting, Inc. (NYSE: FCN)**, announced today that Board Member Dennis Shaughnessy would join the company as full-time executive Chairman of the Board effective October 18, 2004. FTI also announced that it had extended Mr. Dunn's contract with renewal options through 2010. Commenting on Mr. Shaughnessy, Dunn said, "I recently recommended to our Board that FTI separate the offices of Chairman of the Board and Chief Executive Officer. Happily, this recommendation coincided with the availability and enthusiastic interest of an exceptional candidate, Dennis Shaughnessy, to fill the role of executive Chairman."

Mr. Shaughnessy joins FTI from Grotech Capital Group, a venture capital/merchant banking firm with approximately \$1 billion under management. At Grotech, he was General Partner in charge of the Traditional Industries Group and participated in all phases of investment banking/corporate finance, from the identification of investments to financing to operational improvement to harvesting. Prior to Grotech, Mr. Shaughnessy was the Chief Executive Officer of a multinational oil services company with operations in Europe and Asia. While there, he built the company from \$6 million in revenues to in excess of \$125 million, took hands-on responsibility for management of operations abroad, and managed the successful sale of the company to Shell Oil.

Mr. Dunn continued, "The opportunities that lie in front of FTI include potential acquisitions, expansion abroad, the integration of our practices into a mature and cohesive culture and, above all, the continued expansion of our intellectual capital base through the hiring and retention of the brilliant, highly skilled, highly valued, and highly sought after professionals that serve to distinguish our Company and its results from the rest of the pack. Based on his exceptional skills, credentials, accomplishments and contacts, not to mention a more than 10-year history as

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a director with our Company, I can't imagine a better person to help build FTI's strategic vision and capitalize on those opportunities than Dennis. In addition, teamed with Chief Operating Officer, Dom DiNapoli, they constitute an exceptional combination of strategic and operational excellence that will be the envy of our industry and stand FTI in good stead for many years to come. On a personal note, I very much appreciate the Board's continued confidence in me and especially the opportunity to work with Dennis, Dom and the rest of my great fellow employees over the next several years."

**About FTI Consulting**

FTI is the premier provider of corporate finance/restructuring, forensic and litigation consulting, and economic consulting. Strategically located in 24 of the major US cities and London, FTI's total workforce of approximately 1,000 employees includes numerous PhDs, MBA's, CPAs, CIRAs and CFEs who are committed to delivering the highest level of service to clients. These clients include the world's largest corporations, financial institutions and law firms in matters involving financial and operational improvement and major litigation.

*This press release includes "forward-looking" statements that involve uncertainties and risks. There can be no assurance that actual results will not differ from the company's expectations. The company has experienced fluctuating revenues, operating income and cash flow in some prior periods and expects this may occur from time to time in the future. As a result of these possible fluctuations, the company's actual results may differ from our projections. Other factors that could cause such differences include pace and timing of additional acquisitions, the company's ability to realize cost savings and efficiencies, competitive and general economic conditions, retention of staff and clients and other risks described in the company's filings with the Securities and Exchange Commission*

**FTI is on the Internet at [www.fticonsulting.com](http://www.fticonsulting.com).**

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