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): February 4, 2000

FTI Consulting, Inc.
(Exact Name of Registrant as Specified in Charter)

Maryland	001-14875	52-1261113
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2021 Research Drive, Annapolis, Maryland 21401
(Address of Principal Executive Offices) (ZIP Code)

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

Item 2. Acquisition or Disposition of Assets.

On February 4, 2000, FTI Consulting, Inc. ("FTI") completed the acquisition of all of the outstanding membership interests of Policano & Manzo, L.L.C., a privately-held consulting firm that is the leader in providing bankruptcy and turnaround consulting services to large corporations, money center banks and secured lenders throughout the United States. The acquisition was accomplished under an LLC Membership Interests Purchase Agreement (the "Purchase Agreement") dated as of January 31, 2000, by and among FTI, Michael Policano and Robert Manzo. FTI acquired the membership interests from Messrs. Policano and Manzo for a total consideration of approximately $53,000,000 in cash and shares of FTI's common stock. On February 15, 2000, FTI filed a report on Form 8-K stating that it had completed the acquisition and that the required financial statements and pro forma financial information would be filed within 60 days after the initial filing. This Form 8-K/A contains the required financial statements and information.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Financial Statements of Acquired Business. Audited financial statements of Policano & Manzo, L.L.C., including notes thereto, for the three years ended December 31, 1999.

(b) Pro Forma Financial Information. Unaudited pro forma combined balance sheets as of December 31, 1999, and unaudited pro forma combined statement of income, including notes thereto, for the year ended December 31, 1999.

(c) Exhibits.

23.1 - Consent of Ernst & Young LLP

Financial Statements

Policano & Manzo, L.L.C.

Years Ended December 31, 1997, 1998 and 1999
with Report of Independent Auditors

Policano & Manzo, L.L.C.

Financial Statements

Years Ended December 31, 1997, 1998 and 1999

Contents

Report of Independent Auditors

Board of Directors and Members
Policano & Manzo, L.L.C.

We have audited the balance sheets of Policano & Manzo, L.L.C. as of December 31, 1997, 1998 and 1999 and the related statements of income, members' equity and cash flows for each of the three years in the period ended December 31, 1999. 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 Policano & Manzo, L.L.C. at December 31, 1997, 1998 and 1999 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

MetroPark, New Jersey
March 10, 2000

Policano & Manzo, L.L.C.

Balance Sheets

	December 31 1997	1998	1999
Assets			
Current assets:			
Cash	$ 163,453	$ 405,568	$ 1,101,480
Accounts receivable	2,384,825	4,570,642	4,819,521
Unbilled receivables	605,860	285,330	370,072
Other current assets	-	-	24,890
Total current assets	3,154,138	5,261,540	6,315,963
Furniture and equipment	101,794	214,932	266,942
Accumulated depreciation	(43,456)	(74,588)	(112,662)
	58,338	140,344	154,280
Other assets, principally unbilled receivables	469,859	233,923	218,566
Total assets	$ 3,682,335	$ 5,635,807	$ 6,688,809
Liabilities and Members' Equity			
Current liabilities:			
Accounts payable and accrued expenses	$ 323,557	$ 774,174	$ 1,026,527
Advances from clients	1,529,960	1,827,013	2,137,400
Total current liabilities	1,853,517	2,601,187	3,163,927
Commitments and contingencies	-	-	-
Members' equity	1,828,818	3,034,620	3,524,882
Total liabilities and members' equity	$ 3,682,335	$ 5,635,807	$ 6,688,809

See accompanying notes.

Policano & Manzo, L.L.C.

Statements of Income

	Year Ended December 31, 1997	1998	1999
Revenues:			
Professional fees	$11,290,378	$16,752,726	$21,422,335
Net billable expenses	322,942	401,880	89,856
Total revenues	11,613,320	17,154,606	21,512,191
Direct cost of revenues	2,830,491	4,788,254	6,897,632
Selling, general and administrative expenses	614,178	960,550	724,297
Total costs and expenses	3,444,669	5,748,804	7,621,929
Net income	$ 8,168,651	$11,405,802	$13,890,262

See accompanying notes.

Policano & Manzo, L.L.C.

Statement of Members' Equity

	Members' Equity
Balance at January 1, 1997	$ 1,060,167
Net income	8,168,651
Members' distributions	(7,400,000)
Balance at December 31, 1997	1,828,818
Net income	11,405,802
Members' distributions	(10,200,000)
Balance at December 31, 1998	3,034,620
Net income	13,890,262
Members' distributions	(13,400,000)
Balance at December 31, 1999	$ 3,524,882

See accompanying notes.

Policano & Manzo, L.L.C.

Statements of Cash Flows

	Year Ended December 31, 1997	1998	1999
Cash flows from operating activities:			
Net income	$ 8,168,651	$ 11,405,802	$ 13,890,262
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	16,452	31,132	38,074
Changes in assets and liabilities:			
Accounts receivable	(1,074,772)	(2,185,817)	(248,879)
Unbilled receivables	(437,738)	320,530	(84,742)
Other assets	151,664	235,936	(9,533)
Accounts payable and accrued expenses	78,886	450,617	252,353
Advances from clients	576,225	297,053	310,387
Net cash provided by operating activities	7,479,368	10,555,253	14,147,922
Cash flows from investing activities:			
Purchases of furniture and equipment, net	(1,026)	(113,138)	(52,010)
Net cash used in investing activities	(1,026)	(113,138)	(52,010)
Cash flows from financing activities:			
Members' distributions	(7,400,000)	(10,200,000)	(13,400,000)
Net cash used in financing activities	(7,400,000)	(10,200,000)	(13,400,000)
Net increase in cash	78,342	242,115	695,912
Cash balance at beginning of year	85,111	163,453	405,568
Cash balance at end of year	$ 163,453	$ 405,568	$ 1,101,480

See accompanying notes.

Policano & Manzo, L.L.C.

Notes to Financial Statements

December 31, 1999

1. Summary of Significant Accounting Policies

Business Activity

Policano & Manzo, L.L.C., (the "Company") was formed as a New Jersey limited liability company in 1994 for the purpose of providing financial advisory services principally to financially troubled companies. The Company is located in New Jersey and its principal market area is the United States.

The Company includes only individuals as member partners and the duration of the Company shall be 49 years from the date of formation unless sooner terminated in accordance with the operating agreement of the Company.

Accounts Receivable

The Company periodically reviews individual customer account balances and other customer financial information as part of its credit policy.

Furniture and Equipment

Furniture and equipment is stated at cost. Depreciation of furniture and equipment is computed on the straight-line method over an estimated useful life of 7 years.

Advances from Clients

Advances from clients represent deposits made on initial engagements and are applied against invoices periodically.

Revenue

The Company derives its revenues from professional service activities. These activities are provided principally 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, but not yet billed to clients, have been recorded as unbilled receivables.

1. Summary of Significant Accounting Policies (continued)

Direct Cost of Revenues

Direct cost of revenues consists primarily of billable employee compensation and related payroll benefits and the cost of consultants assigned to revenue generating activities.

Income Taxes

The Company is a limited liability company and as such does not pay federal or state income taxes; instead, the members are liable for individual income taxes on the Company's profits. Therefore, no provision for federal or state income taxes is included in the accompanying financial statements.

Accounting Estimates

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

2. Concentrations of Credit Risk

The Company maintains cash balances with a quality financial institution and, consequently, management believes funds maintained there are secure. Concentrations of credit risk with respect to customer receivables are limited due to the Company's customer base and its credit policy. No single customer represents greater than 10% of total accounts receivable as of December 31, 1997 and 1999, and two customers make up 25% of total accounts receivable at December 31, 1998. Also, no single customer represents greater than 10% of total revenues for the years ended December 31, 1997 and 1999, one customer makes up 10% of total revenues for the year ended December 31, 1998.

3. Operating Leases

The Company leases office space and equipment under operating leases that expires in 2002. Rent expense under these leases totaled $90,293, $153,972 and $155,646 for the years ended December 31, 1997, 1998 and 1999, respectively.

Future minimum payments under non-cancelable operating leases with initial terms of one year or more consist of the following at December 31, 1999:

2000	$ 29,467
2001	29,467
2002	22,205
Total minimum lease payments	$ 81,139

4. Employee Benefit Plan

The Company maintains a Simplified Employee Pension (SEP) Plan, which covers all employees. The Company contributes a certain percentage of the employees eligible compensation to the SEP. The Company made contributions of $231,472, $304,493 and $387,216 during the years ended December 31, 1997, 1998 and 1999, respectively.

5. Subsequent Event

Effective January 31, 2000, the Company entered into a LLC membership purchase agreement with FTI Consulting, Inc., ("FTI"). Under the terms of the membership purchase agreement, FTI purchased all of the membership interests of the Company.

6. Year 2000 (Unaudited)

During 1999, the Company completed modifications of both information technology (IT) systems as well as non-IT systems in preparation for the Year 2000 (Y2K). The Company is currently operating in calendar year 2000 and has not experienced any operational issues associated with Y2K.

The Company has not become aware of any material adverse effects resulting from the impact of the Y2K issue on any customers, vendors or other entities with whom the Company has a relationship.

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The unaudited pro forma combined financial statements give retroactive effect to the acquisition of Policano & Manzo, L.L.C., ("P&M") effective January 31, 2000, (the date that control of P&M was transferred to the Company). The acquisition of P&M was accounted for by FTI Consulting, Inc., (the "Company" or "FTI") as a purchase.

Pro forma adjustments to the unaudited pro forma combined balance sheet assume that the transaction was consummated on December 31, 1999. Pro forma adjustments to the pro forma combined statement of income assume that the transaction was consummated on January 1, 1999, and are based on the allocated purchase price as reported in the unaudited pro forma combined balance sheet at December 31, 1999. These adjustments are described below.

The purchase price for the acquisition of P&M, consisting of $47.5 million in cash and 815,000 shares of the Company's common stock valued at $5.5 million, plus estimated expenses of $725,000 and a working capital adjustment of $768,000 was allocated as follows:

Assets acquired:	(in thousands)
Cash	$ 0
Billed and unbilled accounts receivable	5,190
Prepaid expenses and other assets	244
Property and equipment	154
Goodwill	52,073
Total assets	$57,661
Liabilities assumed:	
Accounts payable and accrued expenses	$ 1,027
Advances from clients	2,137
Total purchase price	$54,497

The value of goodwill will be amortized over a 20 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 P&M business. 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 consolidated financial statements of the Company.

FTI CONSULTING, INC.
Unaudited Pro Forma
Combined Balance Sheets
As of December 31, 1999
(in thousands)

	FTI	P&M	Pro Forma Adjustments Dr.	Pro Forma Adjustments Cr.	Unaudited Pro Forma Combined
Assets					
Current assets:					
Cash and equivalents	$ 5,046	$1,101	$ 91,000 (2)	$ 49,329 (1) 128 (4) 3,944 (5) 41,097 (4) 768 (1)	$ 1,881
Accounts receivable, net of allowance for doubtful accounts	14,458	4,820			19,278
Unbilled receivables, net of allowance for doubtful accounts	9,222	370			9,592
Prepaid expenses and other current assets	2,166	25			2,191
Total current assets	30,892	6,316	91,000	95,266	32,942
Property and equipment, net	8,379	154			8,533
Goodwill, net of accumulated amortization	43,658	-	52,073 (1)		95,731
Other assets	1,363	219	3,944 (5)	805 (6)	4,721
Total assets	$84,292	$6,689	$147,017	$ 96,071	$141,927
Liabilities and stockholders' equity					
Current liabilities:					
Accounts payable and accrued expenses	$ 8,613	$1,027	$ 128 (4)		$ 9,512
Income taxes payable	471	-			471
Current portion of long-term debt	1,718	-	1,718 (4)	4,250 (2)	4,250
Advances from clients and other	857	2,137			2,994
Total current liabilities	11,659	3,164	1,846	4,250	17,227
Long-term debt, less current portion and net of discounts	41,009		39,379 (4) 2,683 (3) 4,250 (2) 3,714 (2)	91,000 (2) 1,053 (6)	83,036
Deferred income taxes and other liabilities	1,372	-			1,372
Stockholders' equity:					
Common stock	49	-		8 (1) 6 (3)	63
Additional paid-in capital	18,197	-		5,493 (1) 3,714 (2) 2,677 (3)	30,081
Members' equity	-	3,525	3,525 (1)		-
Retained earnings	12,006	-	1,858 (6)		10,148
Total stockholders' equity	30,252	3,525	5,383	11,898	40,292
Total liabilities and stockholders' equity	$84,292	$6,689	$ 57,255	$108,201	$141,927

FTI CONSULTING, INC.
Unaudited Pro Forma Combined Statement of Income
Year Ended December 31, 1999
(in thousands, except per share data)

	FTI	P&M	PRO FORMA ADJUSTMENTS	UNAUDITED PRO FORMA COMBINED
Revenues	$84,607	$21,512	$ -	$106,119
Direct cost of revenues	44,149	6,898		51,047
Selling, general and administrative expenses	28,829	724	700 (7)	30,253
Amortization of goodwill	2,313	-	2,604 (8)	4,917
Total costs and expenses	75,291	7,622	3,304	86,217
Income from operations	9,316	13,890	(3,304)	19,902
Interest expense, net	4,014	-	8,130 (9)	12,144
Income before income taxes	5,302	13,890	(11,434)	7,758
Income taxes	2,311	-	947 (10)	3,258
Net income	$ 2,991	$13,890	$(12,381)	$ 4,500
Weighted average shares, basic	4,872	-	1,420 (183)	6,292
Earnings per common share, basic	$0.61			$0.72
Weighted average shares, diluted	5,028	-	1,420 (183)	6,448
Earnings per common share, diluted	$0.59			$0.70
EBITDA	$14,012	$13,897	$ (700)	$ 27,209

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

(1) Adjustment to reflect the acquisition of P&M for $47.5 million in cash, the issuance of 815,000 shares of the Company's common stock, valued at $5.5 million, costs of $.7 million, and a working capital adjustment of $.8 million in accordance with the Purchase Agreement.

(2) Adjustment to reflect the issuance of $91.0 million of Senior and Subordinated debt, the current portion thereof, and 670,404 warrants valued at $5.54 each.

(3) Adjustment to reflect the issuance of 604,504 shares of the Company's common stock in exchange for $2.7 million of seller notes outstanding.

(4) Adjustment to reflect the payment in full of prior Senior, Subordinated and seller debt outstanding, including accrued interest.

(5) Adjustment to reflect costs and expenses related to the financing.

(6) Adjustment to eliminate prior debt discount, net of taxes, as an extraordinary item in connection with the early extinguishment of such debt.

(7) In connection with the acquisition, the Company entered into four-year employment contracts with two principals of P&M. The pro forma adjustment assumes that the principals had received compensation for 1999 as provided in such employment contracts. Because P&M is organized as a limited liability company, its owners, who have substantially the same duties and responsibilities as before the acquisition, were taxed on the profits of the firm and received only a small amount of actual compensation in 1999.

(8) Adjustment to reflect the additional amortization of acquired goodwill, which will be amortized over a 20 year period.

(9) Adjustment to reflect the interest expense in connection with the financing, including the amortization of related costs and expenses over the life of the debt on a debt outstanding basis.

(10) Adjustment to reflect income tax expense at a 42.0% effective rate.

SIGNATURES

Pursuant to the requirements of the Securities 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.

By:/s/ Theodore I. Pincus

Theodore I. Pincus
Executive Vice President and
Chief Financial Officer

Date: April 6, 2000

Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements of our report dated March 10, 2000, with respect to the financial statements of Policano & Manzo, L.L.C. as of and for each of the three years in the period ended December 31, 1999 included in the Current Report (Form 8-K/A) filed with the Securities and Exchange Commission.

Registration Statements on Form S-8

Name	Registration Number	Date Filed
1992 Stock Option Plan, As Amended	333-19251	January 3, 1997
Employee Stock Purchase Plan	333-30173	June 27, 1997
1997 Stock Option Plan	333-30357	June 30, 1997
1997 Stock Option Plan, As Amended	333-32160	March 10, 2000

/s/ Ernst & Young LLP

Baltimore, Maryland
April 4, 2000