

Registration No. 333-45278

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1

TO
FORM S-2
REGISTRATION STATEMENT
Under
The Securities Act of 1933

FTI CONSULTING, INC.

(Exact name of registrant as specified in its charter)

Maryland 52-1261113

(State of Incorporation) (I.R.S. Employer Identification No.)

2021 Research Drive

Annapolis, MD 21401

(410) 224-8770

(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

Jack B. Dunn, IV
Chief Executive Officer and Chairman
2021 Research Drive
Annapolis, MD 21401
(410) 224-8770

(Name, address, including zip code, and telephone number, including area code,
of agent for service)

Copies of all communications, including all communications sent to the agent
for service, should be sent to:

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305 North Front Street
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Approximate date of commencement of proposed sale to the public: As soon as
practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, check the following box:

If the registrant elects to deliver its latest annual report to security
holders, or a complete and legible facsimile thereof, pursuant to Item
11(A)(1) of this Form, check the following box:

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following
box and list the Securities Act registration statement number of the earlier
effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(c)
under the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(d)
under the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering:

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box:

+The information in this Prospectus is not complete and may be changed.
 +Underwriters may not confirm sales of these securities until the registration +
 +statement filed with the Securities and Exchange Commission becomes +
 +effective. This Prospectus is not an offer to sell these securities and it is +
 +not soliciting offers to buy these securities in any jurisdiction where the +
 +offer or sale is not permitted.

Subject to Completion
 Preliminary Prospectus dated September 6, 2000

4,450,000 Shares

[FTI/Consulting Logo]
 Common Stock

 We are selling 3,000,000 of the shares of common stock offered under this Prospectus, and the selling stockholders are selling 1,450,000 shares. Our common stock is listed on the American Stock Exchange under the symbol "FCN." On September 6, 2000, the last reported sale price of our common stock on the American Stock Exchange was \$9.19 per share.

Investing in our common stock involves risks.
 See "Risk Factors" beginning on page 8.

 Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
	-----	-----
Public offering price.....	\$	\$
Underwriting discounts and commissions.....	\$	\$
Proceeds to FTI Consulting, Inc.	\$	\$
Proceeds to our selling stockholders.....	\$	\$

We and some of the selling stockholders have granted the underwriters the right to purchase up to 667,500 additional shares of common stock to cover any over-allotments.

ING Barings

Janney Montgomery Scott LLC

The date of this Prospectus is September , 2000

You may rely only on the information contained in this Prospectus. We have not authorized anyone to provide information different from that contained in this Prospectus. Neither the delivery of this Prospectus nor sale of common stock means that information contained in this Prospectus is correct after the date of this Prospectus. This Prospectus is not an offer to sell or solicitation of an offer to buy these shares of common stock in any circumstances under which the offer or solicitation is unlawful.

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SUMMARY

This summary highlights selected information from this Prospectus. It may not contain all the information that is important to you. To understand this offering fully, you should carefully read the entire Prospectus, including the risk factors and our financial statements and the related notes. In this Prospectus, "we," "us" and "our" refer to FTI Consulting, Inc. and its subsidiaries, unless the context requires otherwise. References to "Policano & Manzo" or "P&M" refer to Policano & Manzo, L.L.C., which we acquired on February 4, 2000.

Our Business

We are a multi-disciplined consulting firm with leading practices in the areas of financial restructuring, litigation consulting and engineering and scientific investigation. Modern companies, as well as those who advise and invest in them, face growing challenges on every front. From a proliferation of "bet-the-company" litigation to increasingly complicated relationships with lenders and investors in an ever-changing global economy, U.S. companies are increasingly turning to outside experts and consultants to deal with these complex issues. We are dedicated to helping companies and their advisors, lawyers, lenders and investors meet these challenges by providing a broad array of the highest quality professional services from a single source.

Our clients are companies, law firms, financial institutions and insurance companies. They use our services in a wide range of venues, including bankruptcy and financially distressed company turnaround or workout situations; litigation; regulatory, rate-making and legislative proceedings; mergers, acquisitions and divestitures; and quality control. In 1999, we and P&M worked for over 1,900 clients, including:

- . 1,139 law firms, 60 of which were rated among the top 100 law firms (based on 1998 U.S. revenues as measured by American Lawyer magazine);
- . 198 industrial clients, 75 of which were among the Fortune 500 in 1999;
- . 22 of the 25 largest banks located in the U.S. (also listed among the Fortune 500 in 1999); and
- . 447 insurance companies, 61 of which were among the top 100 property and casualty insurers (as reported by A.M. Best Company in 1999).

We have organized our business into the following three divisions:

- . Our Financial Consulting division serves both financially distressed companies and financial institutions that are regularly involved in litigation or regulatory, bankruptcy or other proceedings. These companies and institutions typically require extensive, highly specialized, long-term advisory services. For companies and institutions in regulated industries, we provide expert testimony, cost benefit analysis, damage assessment, market competition analysis and business valuations. In bankruptcies, restructurings and other financial distress situations, or alleged irregularities or, in the case of professional firms, malpractice, we provide companies or their creditors with business and strategic plan development and forensic accounting services. This division generated about 39% of our total pro forma revenues in 1999 and has become our most profitable division.
- . Our Litigation Consulting division advises clients in all phases of litigation, including discovery, jury selection, trial preparation and the actual trial. The division also provides visual communications services, such as animation, image enhancement and computer simulation to improve trial presentation. This division generated about 27% of our total pro forma revenues in 1999.
- . Our Applied Sciences division offers forensic engineering and scientific investigation services. These services include accident reconstruction, fire investigation and product failure analysis. The division also provides quality control services, including assessment of preventive measures relating to product design and evaluations of the causes of product failures. This division generated about 34% of our total pro forma revenues in 1999.

Policano & Manzo Acquisition

On February 4, 2000, we completed the purchase of all of the membership interests of Policano & Manzo, one of the leading financial consulting firms in the United States. Policano & Manzo specializes in providing financial restructuring, advisory and forensic accounting services to the workout and bankruptcy community. These services are provided on a nationwide basis to financially distressed companies, creditors, investors and other interested parties. We acquired the membership interests from Messrs. Policano and Manzo for total consideration of \$54.9 million in cash, shares of our common stock and acquisition related expenses. Messrs. Policano and Manzo continue to serve as executive officers of the acquired business.

Industry Overview

The markets we serve consist primarily of legal proceedings, distressed company and bankruptcy matters and engineering and scientific investigation. As competition continues to drive companies to concentrate on their core businesses, they are increasingly turning to outside specialists in these markets.

This is particularly true in highly complex and sophisticated areas such as high-stakes legal proceedings where outsourcing work to specialized firms provides a greater level of expertise and increased cost efficiency. Currently, the market for legal services in the U.S. exceeds \$100 billion, according to U.S. Bureau of Census statistics. We expect this market to grow as rising litigation costs and the risks of incurring large monetary judgments continue to drive most companies to focus on improved management of the litigation process. Increasingly, companies, financial institutions and law firms are turning to external litigation consultants to assist their internal legal staffs in their management of the litigation process.

The turnaround and restructuring market is rapidly growing as debt markets expand, more speculative debt is issued and defaults increase. We attribute much of the debt market expansion to the restructurings of entire industries, even during periods of growth in the overall economy. During the current business cycle, many companies have greatly increased their use of leverage in order to finance internal growth and accommodate external acquisitions. In turn, this rise in leverage has forced less competitively viable companies into debt default and often bankruptcy.

Demand for specialized litigation and forensic engineering services is also being driven by emerging trends, including a greater emphasis on loss and injury prevention by insurance companies and manufacturers, significant advances in technology and decreases in technology costs. Decreases in technology costs have recently provided a cost-effective basis for the use of sophisticated computer-driven analysis.

Our Strategy

We believe that we are the established leader in consulting to companies and their creditors facing adverse circumstances. Our goal is to expand our lead by continuing to anticipate our clients' needs and provide a range of high-quality consulting services to meet those needs. Success in this marketplace depends on reputation, service capacity, in some cases geographic location and to a lesser degree price. The following are the key elements of our business strategy:

- . Leverage Our Reputation for High Quality Consulting Services. We believe that size and reputation are critical elements in the purchasing decisions of companies, law firms, financial institutions and insurance companies. We believe we can continue to successfully leverage our reputation, experience and client base to obtain new engagements from both existing and new clients.
- . Retain and Attract Highly Qualified Professionals. Our professionals are crucial to delivering our services to clients and generating new business. We are committed to retaining our existing professionals and continuing to aggressively recruit additional professionals.

- . Capitalize on Our Nationwide Network of Offices. We have established a nationwide network of 33 offices that enables us to leverage our operations in key geographic markets. We believe that we have a competitive advantage because we can provide services to large geographically diverse corporations, bid for engagements on a nationwide basis and attract highly qualified professionals.
- . Expand the Range of Our Services. We will continue to anticipate our clients' growing needs for expert services and expand our services to meet their needs. By expanding the range of our capabilities and integrating them with existing services, we can continue to position ourselves to provide more broad-based services to our clients.
- . Continue to Expand the Use of Technology in Litigation Consulting. We will continue to develop and apply new technology to improve the cost-effectiveness of our services and to maintain our competitive edge. We are also focusing on taking advantage of the efficiencies of the Internet to improve information exchange and reduce costs throughout the entire litigation process. Our recently introduced secure extranet service provides more solutions to the challenges of the increasing complexity of high stakes, multi-district litigation.
- . Selectively Acquire Companies to Obtain New Professionals and Capabilities. We will continue to build on our record of successfully identifying, executing and integrating strategic acquisitions. Since 1997, we have made six acquisitions that have enhanced our position as the leader in consulting to companies facing adverse circumstances. We will continue to selectively pursue strategic acquisitions that provide new, highly qualified professionals and capabilities that complement our existing service offerings.

Our Company

We were incorporated in Maryland in 1982 and completed our initial public offering of common stock in May 1996. Our executive offices are located at 2021 Research Drive, Annapolis, Maryland 21401. Our telephone number is (410) 224-8770. Our Web sites are located at www.fticonsulting.com and www.ftiwarroom.net. Information contained on our Web sites does not constitute part of this Prospectus.

The Offering

Common stock offered by us.....	3,000,000 shares
Common stock offered by selling stockholders.....	1,450,000 shares
Common stock to be outstanding after this offering.....	10,250,372 shares(1)
Use of proceeds.....	We intend to use the net proceeds from this offering and our other financial resources to repay all \$30.4 million of our senior subordinated notes.
American Stock Exchange symbol....	FCN

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(1) This number of shares includes 711,025 shares of our common stock we expect to issue as the result of exercise by some of our selling stockholders of warrants they currently hold, but the number excludes:

- . 3,186,029 shares of our common stock reserved for issuance upon exercise of outstanding options and 318,283 shares reserved for future stock option grants under our stock option plans;
- . 193,904 shares of our common stock reserved for issuance upon exercise of other outstanding warrants; and
- . up to 402,526 shares of our common stock we will issue if the underwriters exercise their over-allotment option.

Summary Unaudited Historical and Pro Forma Consolidated Financial and Other
Data

The following summary unaudited historical and pro forma consolidated financial and other data present:

- . our audited historical consolidated income statement data for each of the three years in the period ended December 31, 1999;
- . our unaudited historical consolidated income statement data for the six-month periods ended June 30, 1999 and 2000;
- . our unaudited pro forma consolidated income statement data for the year ended December 31, 1999 and for the six-month period ended June 30, 2000; and
- . our unaudited historical and pro forma consolidated balance sheet data as of June 30, 2000.

Our pro forma consolidated financial data adjust our historical consolidated financial statements to give effect to the following transactions as if they occurred on January 1, 1999:

- . our acquisition of P&M, including the financing transactions related to that acquisition;
- . the net proceeds from the sale of 3,000,000 shares of our common stock that we are offering;
- . the exercise by some of our selling stockholders in connection with this offering of 711,025 warrants to purchase common stock at an average exercise price of \$3.97 per share;
- . the retirement of \$30.4 million of our senior subordinated notes with the proceeds of the offering and our other financial resources, including the payment of a \$900,000 prepayment penalty and accrued interest related to these notes; and
- . the write-off as an extraordinary loss of \$2.5 million of the unamortized deferred financing costs and \$1.2 million of the debt discount associated with our \$30.4 million of senior subordinated notes that we will retire with the proceeds of the offering and our other financial resources.

You should also refer to our historical consolidated financial statements, the historical financial statements of P&M, and our unaudited pro forma consolidated financial statements, which we have included elsewhere in this Prospectus.

Statement of Income
Data:

Six Months Ended June 30,

	Historical			Pro Forma 1999	Historical		
	1997	1998	1999		1999	2000	2000
	(amounts in thousands, except per share data)						
Revenues.....	\$44,175	\$58,615	\$84,607	\$106,119	\$41,273	\$65,599	\$68,037
Direct cost of revenues.....	23,564	31,402	44,149	51,747	21,350	32,811	33,761
Selling, general and administrative expenses.....	15,160	20,532	28,829	29,553	14,445	18,211	18,317
Amortization of goodwill.....	81	996	2,313	4,917	1,139	2,249	2,466
Total costs and expenses.....	38,805	52,930	75,291	86,217	36,934	53,271	54,544
Income from operations..	5,370	5,685	9,316	19,902	4,339	12,328	13,493
Interest expense, net...	(173)	1,163	4,014	6,394	1,820	5,494	3,314
Income taxes.....	2,250	1,954	2,311	5,757	1,189	3,007	4,412
Income before extraordinary item....	\$ 3,293	\$ 2,568	\$ 2,991	\$ 7,751	\$ 1,330	\$ 3,827	\$ 5,767
Net income.....	\$ 3,293	\$ 2,568	\$ 2,991		\$ 1,330	\$ 2,958	
Income before extraordinary item per common share, diluted..	\$ 0.70	\$ 0.51	\$ 0.59	\$ 0.77	\$ 0.27	\$ 0.55	\$ 0.55
Net income per common share, diluted.....	\$ 0.70	\$ 0.51	\$ 0.59		\$ 0.27	\$ 0.43	
Weighted average shares outstanding, diluted...	4,698	5,077	5,028		4,895	6,955	
EBITDA(1).....	\$ 7,111	\$ 8,756	\$14,012	\$ 27,202	\$ 6,637	\$15,857	\$17,242
EBITDA margin(2).....	16.1%	14.9%	16.6%	25.6%	16.1%	24.2%	25.3%

As of June 30, 2000

Balance Sheet Data:

	FTI	Pro Forma
	Actual	As Adjusted
Cash and cash equivalents.....	\$ 2,992	\$ 2,000
Working capital.....	22,669	20,007
Total assets.....	152,655	152,360
Total debt, net of discount.....	87,027	62,925
Stockholders' equity.....	45,572	69,999

- (1) EBITDA is presented to provide greater comparability between periods as well as to indicate our results on an ongoing basis. EBITDA refers to earnings before taxes plus net interest expense and depreciation and amortization. Because all companies do not calculate EBITDA or similarly titled financial measures in the same manner, other companies' disclosures of EBITDA may not be comparable with EBITDA as used here. EBITDA should not be considered as an alternative to net income or loss (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under generally accepted accounting principles. EBITDA is intended to provide additional information for evaluating the ability of an entity to meet its financial obligations. Cash flows in accordance with generally accepted accounting principles consist of cash flows from (i) operating, (ii) investing and (iii) financing activities. Cash flows from operating activities reflect net income or loss (including charges for interest and income taxes not reflected in EBITDA), adjusted for (i) all non-cash charges or credits (including, but not limited to, depreciation and amortization) and (ii) changes in operating assets and liabilities (not reflected in EBITDA). Further, cash flows from investing and financing activities are not included in EBITDA.
- (2) EBITDA margin equals EBITDA as a percentage of revenues for each period

presented.

RISK FACTORS

You should carefully consider the following risks before you decide to buy our common stock. Our business, financial condition or operating results may suffer if any of the following risks actually occur. Additional risks and uncertainties not currently known to us may also adversely affect our business, financial condition or operating results. If any of these risks or uncertainties occurs, the trading price of our common stock could decline, and you may lose all or part of the money you paid to buy our common stock.

We have made statements in this Prospectus and in documents that are incorporated by reference into this Prospectus that constitute forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. These forward-looking statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "expect," "should" or similar expressions. You should understand that these forward-looking statements are subject to a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from estimates or projections contained in forward-looking statements include those described in "Risk Factors."

We depend upon our professionals and outside consultants.

Our business involves the delivery of professional services. Therefore, our continued success depends upon our ability to retain and expand our staff of highly skilled professionals and outside consultants. We face intense competition for highly skilled professionals in our fields of practice. We cannot assure you that we will be able to retain our key professionals or that we will be able to attract, assimilate or retain the necessary number of qualified professionals in the future. We do not have non-competition agreements with most of our professional staff. This means that these professionals could resign with little advance notice to join one of our competitors. If we lose the services of a number of our key professionals or fail to expand our professional staff, we are unlikely to be able to expand our business and may be unable to maintain our business at current levels.

We rely heavily on our management team.

We are highly dependent upon our management team, particularly Messrs. Dunn, Kahn, Baker, Brady, Monheit, Policano, Manzo and Pincus. If we were to lose any of these persons and were unable to replace them quickly, we could have difficulty in properly managing our business. This could have a materially adverse effect on our business prospects and results of operations.

We face significant competition for new business opportunities.

The market for our consulting services is highly competitive, and we face competition from many other providers of consulting services. Our competitors range from large organizations, such as the national accounting firms and the large management consulting companies that offer a full range of consulting services, to small firms and independent contractors that provide only one specialized service. Some of our competitors have significantly more financial and marketing resources, larger professional staffs or are more widely recognized. There are few barriers to entry into the consulting business. As the number of our competitors increases, we cannot assure that we will be able to continue to compete successfully for new business opportunities or retain our existing clients.

We are subject to the risk of professional liability.

Many of our engagements involve complex analysis and the exercise of professional judgment. As a result, we are subject to the risk of professional liability. Often, our engagements involve matters that, if resolved unfavorably, may have a severe impact on the client's business, cause the client a substantial monetary loss or prevent the client from pursuing business opportunities. Therefore, if we fail to perform to the client's

satisfaction, the client may threaten or bring a lawsuit against us, claiming we performed negligently or otherwise breached our obligations to the client. Any claim by a client against us could expose us to liability in excess of our insurance limits and could severely injure our reputation.

We may have trouble finding suitable acquisition candidates and difficulty financing potential acquisitions.

A number of our competitors also have adopted a strategy of expanding and diversifying through acquisitions of other consulting firms. We experience competition, therefore, in our effort to execute our acquisition strategy, and we expect the level of competition to increase in the future. As a result, we may be unable to continue to make acquisitions or may be forced to pay more for companies we are able to acquire. In such an event, we may be unable to grow our business as quickly as we have in the past, and our profitability may decline.

Our ability to grow our business, particularly through acquisitions, may depend on our ability to raise capital through the issuance of additional equity or debt. We cannot be sure, however, that we will be able to raise equity or obtain debt financing when we need it or on terms acceptable to us. If we cannot, we may have to curtail our planned growth and not pursue acquisition opportunities.

Our professional reputation is critical to our business.

We depend upon our reputation and the individual reputations of our professionals to obtain new client engagements and attract and retain highly qualified professionals. We obtain a substantial number of new engagements from existing clients or through referrals from existing clients. Therefore, we may have difficulty in competing for new engagements if our existing clients become dissatisfied with our performance. Further, any factor that diminishes our reputation or the reputations of our personnel may make it more difficult for us to compete successfully for either new engagements or qualified professionals.

P&M was a substantial acquisition for us.

In February 2000, we completed the P&M acquisition. This acquisition was substantial when comparing P&M's revenues and profits in 1999 to ours. Although we believe we have nearly completed the integration of P&M into our business, we have not yet realized all the benefits we expect to achieve from the acquisition. We cannot assure you that we will ever realize these benefits. Our management team's attention may be diverted from seeking new acquisitions or other business opportunities if they are forced to devote significant time to enhancing client recognition of P&M's service offerings or integrating future acquisitions. This could have a materially adverse effect on our business prospects and results of operations.

We must successfully manage the growth of our business.

We have experienced rapid growth in recent years, including six acquisitions since 1997. We plan to continue to rapidly expand our business, which may strain our management, human resources and information systems. To successfully manage our growth, we must add managers and employees and periodically update our operating, financial and other systems, procedures and controls. We also must effectively motivate, train and manage a larger professional staff. If we fail to manage our growth effectively, our business, results of operations and financial condition are likely to be adversely affected.

Our revenues, operating income and cash flow are likely to fluctuate.

We have experienced fluctuating revenues, operating income and cash flow in some prior periods and expect this may occur from time to time in the future. We may experience future fluctuations because of the timing of our client assignments and the type of assignments we are working on at different times. This means our profitability is likely to be lower if we experience an unexpected variation in the number or timing of client assignments. Also, the timing of future acquisitions and the cost of integrating them may cause similar fluctuations in our operating results.

Our business is seasonal.

We experience a reduced level of business during a portion of the third quarter primarily because courts usually recess during these months. Also, many members of our professional staff and key contacts at our clients take vacations during the summer.

We operate with a substantial amount of debt.

Our total indebtedness as of July 31, 2000 was about \$89.0 million. After using the proceeds of this offering and our other financial resources as described in the section of this Prospectus entitled "Use of Proceeds" to repay some of our debt, we still will owe about \$59.0 million. Our pro forma EBITDA was \$17.2 million for the six-month period ended June 30, 2000, and our pro forma stockholders' equity, as adjusted for this offering, was \$70.0 million as of June 30, 2000.

Operating with a high amount of leverage could require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for operations, future business opportunities, capital expenditures, acquisitions or other purposes, and limit our flexibility in planning for, or reacting to, changes in our business and our industry.

We have \$93.7 million of goodwill and other intangible assets and a deficit in our tangible net worth.

Our intangible assets, net of accumulated amortization, were about \$93.7 million as of June 30, 2000, and our stockholders' equity was \$45.6 million. This means that we had a \$48.1 million deficit in our tangible net worth. All of our intangible assets are goodwill related to our acquisitions, including the \$52.2 million of goodwill we recorded from our purchase of P&M.

We are amortizing our intangible assets on a straight-line basis over 15 to 25 years. This amortization in any particular period constitutes a non-cash expense that reduces our income. Also, we are required to periodically evaluate the recoverability of this goodwill. If this goodwill becomes impaired, we may be required to write down its carrying value and incur additional charges against our income. This could have a materially adverse affect on our business, operating results and financial condition.

Our Litigation Consulting division is subject to technological change.

We regularly develop solutions for our clients by using information technology, electronic document management techniques, the Internet and other state-of-the-art technology. Many of these technologies have only recently emerged, will rapidly change and may become obsolete as new technologies appear. Our future success will depend upon the ability of our professionals to remain current with the rapid changes in the technologies we use in our business and to learn quickly to use new technologies as they emerge. If our professionals fail to do this, we could be at a competitive disadvantage. Our competitors may gain exclusive access to improved technology, which also could put us at a competitive disadvantage. There may be changes in our clients' or prospective clients' preferences for technology solutions. If we cannot adapt to these changes, our business, results of operations and financial condition are likely to be adversely effected.

Our stock price may be volatile.

Since our initial public offering in May 1996, our common stock has experienced periods of significant price volatility. We expect that the market price of our common stock will continue to fluctuate in the future in response to many factors, including those identified in this section as risk factors. These fluctuations may be exaggerated if the trading volume of our common stock is low. Also, the stock market periodically experiences extreme price and volume fluctuations that affect the price of the stocks of many consulting firms. These fluctuations often are unrelated to the operating performance of these firms. Therefore, the market price of our common stock may fluctuate.

Future sales of our common stock in the public market could lower our stock price.

Sales of substantial amounts of our common stock in the public market following this offering, or the appearance that a large number of shares is available for sale, may adversely affect the market price of our common stock. After the offering, we will have 10,250,372 shares of common stock outstanding, assuming no exercise of the underwriters' over-allotment option. Of these shares, 9,095,882 shares will be freely tradable under the Securities Act, unless acquired by one of our "affiliates," as that term is defined in Rule 144. The remaining 1,154,490 shares will be tradable, subject to the restrictions of Rule 144.

We have reserved for issuance an additional 193,904 shares of common stock issuable upon the exercise of outstanding warrants (at exercise prices ranging from \$3.21 to \$4.44 per share). We have not registered the shares issuable upon exercise of these warrants. Therefore, shares issued upon the exercise of these warrants will have to be held for one year or registered under the Securities Act prior to sale. Of these shares, 78,871 shares are subject to demand registration rights.

We have reserved for issuance an additional 3,186,029 shares of common stock issuable upon exercise of outstanding stock options (at exercise prices ranging from \$2.38 to \$19.59 per share). All of the shares of common stock issuable upon the exercise of the stock options will be freely tradable upon issuance as such shares are registered under a registration statement filed under the Securities Act.

Our directors, executive officers and selling stockholders will agree with the underwriters not to sell or otherwise dispose of any of their shares for 90 days after the date of this Prospectus without the prior written consent of ING Barings.

USE OF PROCEEDS

We estimate that we will receive about \$25.3 million of net proceeds from our sale of the 3,000,000 shares of our common stock we are offering by this Prospectus, assuming an offering price of \$9.19 per share (after deducting underwriting discounts and commissions and estimated offering expenses). If the underwriters exercise their over-allotment option in full, we estimate that we will receive about \$3.3 million of net proceeds. We also expect to receive about \$2.8 million from the exercise of warrants by some of our selling stockholders immediately before the closing of this offering.

Our current outstanding aggregate principal indebtedness owed on our senior subordinated notes is \$30.4 million. We used the proceeds from our senior subordinated notes, together with the proceeds from another loan, to refinance our then-existing indebtedness and to purchase P&M.

We intend to use all of the net proceeds to us from this offering and the exercise of warrants and our other financial resources to repay all of our senior subordinated notes. We will pay the accrued interest on our senior subordinated notes and the \$900,000 prepayment penalty on our senior subordinated notes from our other financial resources, including our cash and revolving credit facility. Our senior subordinated notes bear interest at 12% per year, payable semi-annually in cash, and 5% per year, payable semi-annually in additional senior subordinated notes. If not prepaid, our senior subordinated notes will mature on January 31, 2007.

Pending these uses, we will invest the net proceeds in investment-grade, interest-bearing instruments.

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock has been listed on the American Stock Exchange under the symbol "FCN" since March 9, 1999. Prior to that time, our common stock was listed on the Nasdaq National Market under the symbol "FTIC." The following table shows the high and low sales price per share for our common stock for the periods shown, as reported by the American Stock Exchange since March 9, 1999, and by the Nasdaq National Market before that date.

	High	Low
	-----	-----
1997		
First Quarter.....	\$ 9.75	\$ 5.50
Second Quarter.....	8.00	5.63
Third Quarter.....	9.50	6.75
Fourth Quarter.....	14.75	9.00
1998		
First Quarter.....	16.25	10.00
Second Quarter.....	20.75	13.50
Third Quarter.....	17.19	4.00
Fourth Quarter.....	8.38	2.38
1999		
First Quarter.....	4.25	2.56
Second Quarter.....	5.88	2.88
Third Quarter.....	6.13	4.50
Fourth Quarter.....	6.38	3.75
2000		
First Quarter.....	7.75	4.75
Second Quarter.....	11.50	6.63
Third Quarter (through September 6, 2000).....	11.63	9.13

As of June 30, 2000, there were about 112 holders of record of our common stock, and we believe there were about 2,600 beneficial owners.

We have never paid cash dividends on our common stock, and we do not intend to pay dividends in the foreseeable future. Our existing senior credit facility does not allow us to pay cash dividends, and we expect to retain any future profits to repay existing debt and finance our operations for the foreseeable future.

CAPITALIZATION

The following table shows our capitalization as of June 30, 2000:

- . on an actual basis; and
- . on a pro forma as adjusted basis to:
 - . reflect the sale of the 3,000,000 shares of our common stock we are offering under this Prospectus at an assumed offering price of \$9.19 per share, with net proceeds to us of about \$25.3 million, after estimated underwriting commissions and expenses;
 - . reflect the exercise of warrants to purchase 711,025 shares of our common stock at an average exercise price of \$3.97 per share;
 - . retire \$30.4 million of our senior subordinated notes and pay the prepayment penalty and the accrued interest on these notes; and
 - . write-off the \$2.5 million of unamortized deferred financing costs and \$1.2 million of debt discount associated with our \$30.4 million of senior subordinated notes.

You should also refer to our historical consolidated financial statements and our unaudited pro forma consolidated financial statements, which we have included elsewhere in this Prospectus.

	As of June 30, 2000	
	Actual	Pro Forma As Adjusted
	(in thousands, except share amounts)	
Cash and cash equivalents.....	\$ 2,992	\$ 2,000
Revolving credit facility (1).....	\$ --	\$ 2,987
Term loans due through 2006.....	59,938	59,938
Senior subordinated notes due 2007, net of discounts.....	27,089	--
Total debt, net of discounts.....	87,027	62,925
Less current portion.....	(4,750)	(7,737)
Total long-term debt.....	82,277	55,188
Stockholders' equity:		
Preferred stock, \$0.01 par value, 4,000,000 shares authorized, no shares issued and outstanding, actual and pro forma as adjusted.....	--	--
Common stock, \$0.01 par value, 16,000,000 shares authorized, 6,465,968 shares issued and outstanding, actual and 10,176,993 shares issued and outstanding, pro forma as adjusted.....	65	102
Additional paid-in capital.....	30,543	57,587
Retained earnings.....	14,964	12,310
Total stockholders' equity.....	45,572	69,999
Total capitalization.....	\$127,849	\$125,187

(1) Under our senior credit facility, we may borrow up to \$7.5 million under a revolving credit facility. Our ability to borrow under a revolving credit facility is subject to various limitations based on our billed accounts receivables.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

Effective on January 31, 2000, we acquired the membership interests of P&M. The purchase price totaled about \$54.9 million, consisting of \$48.3 million in cash, 815,000 shares of our common stock valued at \$5.5 million and acquisition-related expenses of \$1.1 million. The acquisition was accounted for using the purchase method of accounting and about \$52.2 million of goodwill was recorded and is being amortized over its estimated useful life of 20 years.

The following unaudited pro forma consolidated financial statements show for the periods presented:

- . the effects of our acquisition of P&M;
- . the sale of 3,000,000 shares of our common stock in the offering and the exercise of warrants to purchase 711,025 shares of our common stock in connection with the offering; and
- . the application of the net proceeds to us from the offering and our other financial resources to retire all of our senior subordinated notes.

The pro forma consolidated statements of income for the year ended December 31, 1999 and the six months ended June 30, 2000 assume that the acquisition of P&M and the retirement of the senior subordinated notes with the proceeds of this offering and our other financial resources, both occurred on January 1, 1999. The pro forma consolidated balance sheet as of June 30, 2000 assumes that the offering and the application of the proceeds to retire our senior subordinated notes occurred on June 30, 2000. The pro forma adjustments are described in the accompanying notes and are based upon available information and various assumptions that management believes are reasonable.

The unaudited pro forma consolidated financial statements do not purport to represent what our financial position and results of operations would actually have been had these transactions occurred on the dates indicated. The unaudited pro forma consolidated financial statements should be read in conjunction with our historical consolidated financial statements and the historical financial statements of P&M, included elsewhere in this Prospectus and under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Unaudited Pro Forma Consolidated Statements of Income

	Six months ended June 30, 2000				
	FTI	P&M*	Historical Total	Pro Forma Adjustments	Pro Forma As Adjusted
	(amounts in thousands, except per share data)				
Revenues.....	\$65,599	\$2,438	\$68,037		\$68,037
Direct cost of revenues...	32,811	892	33,703	\$ 58 (1)	33,761
Selling, general and administrative expenses...	18,211	106	18,317		18,317
Amortization of goodwill..	2,249	--	2,249	217 (2)	2,466
Total costs and expenses..	53,271	998	54,269	275	54,544
Income from operations....	12,328	1,440	13,768	(275)	13,493
Interest expense, net.....	5,494	--	5,494	483 (3) 97 (4) (2,760) (A)	3,314
Income before income taxes and extraordinary item...	6,834	1,440	8,274	1,905	10,179
Income taxes.....	3,007	--	3,007	246 (5) 1,159 (B)	4,412
Income before extraordinary item.....	\$ 3,827	\$1,440	\$ 5,267	\$ 500	\$ 5,767
Income before extraordinary item per common share, basic.....	\$ 0.62				\$ 0.57
Weighted average shares outstanding, basic.....	6,139			265 (6) 3,711 (C)	10,115
Income before extraordinary item per common share, diluted....	\$ 0.55				\$ 0.55

Weighted average shares		278 (6)	
outstanding, diluted.....	6,955	3,326 (C)	10,559
	=====	=====	=====

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*Amounts for P&M are for the month ended January 31, 2000.

Year ended December 31, 1999

	FTI	P&M	Historical Total	Pro Forma Adjustments	Pro Forma As Adjusted
(amounts in thousands, except per share data)					
Revenues.....	\$84,607	\$21,512	\$106,119		\$106,119
Direct cost of revenues..	44,149	6,898	51,047	\$ 700 (1)	51,747
Selling, general and administrative expenses.....	28,829	724	29,553		29,553
Amortization of goodwill.....	2,313	--	2,313	2,604 (2)	4,917
Total costs and expenses.....	75,291	7,622	82,913	3,304	86,217
Income from operations...	9,316	13,890	23,206	(3,304)	19,902
Interest expense, net....	4,014	--	4,014	6,731 (3) 1,169 (4) (5,520) (A)	6,394
Income before income taxes and extraordinary item.....	5,302	13,890	19,192	(5,684)	13,508
Income taxes.....	2,311	--	2,311	1,128 (5) 2,318 (B)	5,757
Income before extraordinary item.....	\$ 2,991	\$13,890	\$ 16,881	\$ (9,130)	7,751
Income before extraordinary item per common share, basic.....	\$ 0.61				\$ 0.77
Weighted average shares outstanding, basic.....	4,872			1,420 (6) 3,711 (C)	10,003
Income before extraordinary item per common share, diluted...	\$ 0.59				\$ 0.77
Weighted average shares outstanding, diluted....	5,028			1,420 (6) 3,619 (C)	10,067

Pro forma adjustments related to the acquisition of P&M:

- (1) Adjustment to record additional compensation expense for P&M employees. In connection with the acquisition of P&M, we entered into four-year employment contracts with the former members of P&M. The pro forma adjustment assumes that the members had received compensation in 1999 and 2000 as provided for by these employment contracts. These former members previously received distributions of profits in lieu of compensation.
- (2) Adjustment to reflect the amortization of \$52.2 million of goodwill recorded upon the acquisition of P&M. This goodwill is being amortized over a 20-year period.
- (3) Adjustment to reflect incremental increases in interest expense resulting from the acquisition of P&M. In February 2000, we borrowed \$91.0 million to acquire P&M and to refinance \$41.2 million of other debt. The average interest rate associated with the \$91.0 million of borrowings is approximately 12%, as compared to approximately 8.8% for the retired debt.
- (4) Adjustment to record the amortization of deferred financing costs and debt discount arising from the issuance of warrants in connection with the acquisition of P&M. The deferred financing costs and debt discount are being amortized over the average 6.5-year term of the related debt.
- (5) Adjustment to record pro forma income tax expense for (i) the operations of P&M for which no taxes were provided in the historical financial statements because P&M was organized as a limited liability company and (ii) the estimated tax effect of pro forma adjustments, all at the combined federal and state statutory income tax rate of approximately 42%.
- (6) Adjustment to record the additional shares of common stock issued in connection with the acquisition of P&M and the related February 2000 debt

refinancing. We issued 815,000 shares of common stock in connection with the acquisition of P&M and 604,504 shares of common stock in exchange for \$2.7 million of outstanding notes.

Pro forma adjustments related to the offering and the use of proceeds:

- (A) Adjustment to record the reduction of interest expense resulting from the retirement of \$30.4 million of senior subordinated notes with the proceeds of the offering, about \$1.0 million of our cash and \$3.0 million from our revolving credit facility. The revolving credit facility bears interest at an annual interest rate of prime plus 1.75%. We have assumed an interest rate of 11.25%.
- (B) Adjustment to record the additional income tax expense resulting from reducing our interest expense upon the retirement of the \$30.4 million of senior subordinated notes. We have estimated the increase in our income tax expense using the combined federal and state statutory income tax rate of approximately 42%.
- (C) Adjustment to record the effect of the offering and the warrant exercise on our outstanding shares used in calculating basic and diluted earnings per common share.

Unaudited Pro Forma Consolidated Balance Sheet

June 30, 2000

	Actual	Pro Forma Adjustments Debit	Credit	Pro Forma As Adjusted
(amounts in thousands)				
Assets				
Current assets:				
Cash and cash equivalents.....	\$ 2,992	\$ 31,139(1)	\$ 32,131(2)	\$ 2,000
Accounts receivable, net of allowance for doubtful accounts.....	25,020			25,020
Unbilled receivables, net of allowance for doubtful accounts.....	15,168			15,168
Income tax receivable.....	446	1,922(2)		2,368
Prepaid expenses and other current assets.....	2,516		1,225(2)	1,291
Total current assets.....	46,142	33,061	33,356	45,847
Property and equipment, net.....	8,890			8,890
Goodwill, net of accumulated amortization..	93,702			93,702
Other assets.....	3,921			3,921
Total assets.....	\$152,655	\$ 33,061	\$ 33,356	\$152,360
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable and accrued expenses.....	10,366	620(2)		9,746
Revolving credit facility.....	--		2,987(1)	2,987
Current portion of long-term debt.....	4,750			4,750
Advances from clients and other.....	6,902			6,902
Other liabilities.....	1,455			1,455
Total current liabilities..	23,473	620	2,987	25,840
Long-term debt, less current portion and net of discounts.....	82,277	30,611(2)	3,522(2)(3)	55,188
Deferred income taxes and other liabilities.....	1,333			1,333
Stockholders' equity				
Preferred stock.....	--			--
Common stock.....	65		37(1)	102
Additional paid-in capital.....	30,543	1,071(3)	28,115(1)	57,587
Retained earnings.....	14,964	2,654(2)		12,310
Total stockholders' equity.....	45,572	3,725	28,152	69,999
Total liabilities and stockholders' equity.....	\$152,655	\$ 34,956	\$ 34,661	\$152,360

Pro forma adjustments to the unaudited pro forma consolidated balance sheet at June 30, 2000 consist of:

- (1) Adjustment for the assumed net proceeds from our offering of 3,000,000 shares of our common stock and the exercise of warrants to purchase 711,025 shares of our common stock. We expect to receive \$28.1 million of net proceeds from the offering, consisting of \$27.6 million from the sale of 3,000,000 shares of our common stock for \$9.19 per share and \$2.8 million from the exercise of warrants, reduced by \$2.3 million of estimated offering expenses. Further, we expect to borrow about \$3.0 million under our revolving credit facility to partially finance the retirement of our senior subordinated notes.
- (2) Adjustment for the application of our net proceeds of the offering which will be used to retire our senior subordinated notes. In addition to retiring the \$30.4 million of principal, we will also pay accrued interest

on those notes of \$877,000 and pay a prepayment penalty of \$900,000. As a result of retiring our senior subordinated notes prior to maturity, we will incur an extraordinary loss of \$2.7 million, net of the related income tax benefit of \$2.0 million. This loss will result from the write-off of \$3.7 million of unamortized deferred financing costs and debt discount, and the prepayment penalty of \$900,000 that we incurred.

- (3) Adjustment to write off \$1.1 million of debt discount to additional paid-in capital. This debt discount was associated with warrants to purchase 711,025 shares of our common stock that are being exercised in connection with the offering.

SELECTED FINANCIAL DATA

The following selected financial data are derived from our consolidated financial statements. Our financial statements for the years ended December 31, 1995 through 1999 have been audited by Ernst & Young LLP. Our financial statements for the six months ended June 30, 1999 and 2000 have not been audited, but we believe they contain all adjustments necessary for a fair presentation of our financial position and our results of operations for the periods presented. Operating results for the six months ended June 30, 2000 are not necessarily indicative of the results that we expect for all of 2000. The data below should be read with our consolidated financial statements and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Years ended December 31,					Six months ended June 30,	
	1995	1996	1997 (4)	1998 (5)	1999	1999	2000 (6)
	(in thousands, except per share data)					(unaudited)	
Statement of Operations Data:							
Revenues.....	\$23,381	\$30,648	\$44,175	\$58,615	\$84,607	\$41,273	\$65,599
Direct cost of revenues.....	11,366	17,020	23,564	31,402	44,149	21,350	32,811
Selling, general and administrative expenses.....	9,887	10,786	15,241	21,528	31,142	15,584	20,460
Total costs and expenses.....	21,253	27,806	38,805	52,930	75,291	36,934	53,271
Income from operations.....	2,128	2,842	5,370	5,685	9,316	4,339	12,328
Other income (expense).....	(222)	107	173	(1,163)	(4,014)	(1,820)	(5,494)
Income from continuing operations before income taxes.....	1,906	2,949	5,543	4,522	5,302	2,519	6,834
Income taxes.....	779	1,235	2,250	1,954	2,311	1,189	3,007
Income from continuing operations.....	1,127	1,714	3,293	2,568	2,991	1,330	3,827
Loss from operations of discontinued operations, net of tax(1).....	(65)	--	--	--	--	--	--
Loss on disposal of discontinued operations, net of tax(1).....	(365)	--	--	--	--	--	--
Income before extraordinary item....	697	1,714	3,293	2,568	2,991	1,330	3,827
Extraordinary loss on early extinguishment of debt, net of income taxes.....	--	--	--	--	--	--	869
Net income.....	697	1,714	3,293	2,568	2,991	1,330	2,958
Preferred stock dividends.....	125	62	--	--	--	--	--
Income available to common stockholders... \$	572	\$ 1,652	\$ 3,293	\$ 2,568	\$ 2,991	\$ 1,330	\$ 2,958
Earnings per common share:							
Basic..... \$	0.27	\$ 0.46	\$ 0.73	\$ 0.54	\$ 0.61	\$ 0.28	\$ 0.48
Diluted..... \$	0.24	\$ 0.42	\$ 0.70	\$ 0.51	\$ 0.59	\$ 0.27	\$ 0.43
Weighted average shares outstanding, basic.....	2,158	3,591	4,529	4,725	4,872	4,829	6,139
Weighted average shares outstanding, diluted.....	3,316	4,174	4,698	5,077	5,028	4,895	6,955
Other Data:							
Capital expenditures... \$	1,609	\$ 1,672	\$ 2,800	\$ 3,327	\$ 3,093	\$ 1,316	\$ 1,699
Depreciation and amortization.....	659	862	1,741	2,981	4,696	2,441	3,529

EBITDA(2).....	2,787	3,705	7,111	8,756	14,012	6,637	15,857
EBITDA margin(3).....	11.9%	12.1%	16.1%	14.9%	16.6%	16.1%	24.2%

	As of December 31,				As of June 30,		
	1995	1996	1997(4)	1998(5)	1999	1999	2000(6)

(in thousands)

Balance Sheet Data:

Cash and cash equivalents.....	\$ 10	\$ 5,894	\$ 2,456	\$ 3,223	\$ 5,046	\$ 3,635	\$ 2,992
Working capital.....	2,259	13,311	10,634	9,071	19,233	18,199	22,669
Total assets.....	10,756	20,868	29,176	79,747	84,292	82,295	152,655
Total long-term debt, net of discounts.....	1,880	80	1,930	46,280	42,727	44,843	87,027
Total stockholders' equity.....	1,463	17,628	21,019	25,594	30,252	28,349	45,572

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- (1) Effective March 31, 1996, we sold our Annaplix business to a group that included Annaplix's former owners.
 - (2) EBITDA is presented to provide greater comparability between periods as well as to indicate our results on an ongoing basis. EBITDA refers to earnings before taxes plus net interest expense and depreciation and amortization. Because all companies do not calculate EBITDA or similarly titled financial measures in the same manner, other companies' disclosures of EBITDA may not be comparable with EBITDA as used here. EBITDA should not be considered as an alternative to net income or loss (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under generally accepted accounting principles. EBITDA is intended to provide additional information for evaluating the ability of an entity to meet its financial obligations. Cash flows in accordance with generally accepted accounting principles consist of cash flows from (i) operating, (ii) investing and (iii) financing activities. Cash flows from operating activities reflect net income or loss (including charges for interest and income taxes not reflected in EBITDA), adjusted for (i) all non-cash charges or credits (including, but not limited to, depreciation and amortization) and (ii) changes in operating assets and liabilities (not reflected in EBITDA). Further, cash flows from investing and financing activities are not included in EBITDA.
 - (3) EBITDA margin equals EBITDA as a percentage of revenues for each period presented.
 - (4) In September 1997, we acquired L.W.G., Inc. and subsidiary, and Bodaken & Associates in business combinations accounted for as purchases. See Note 4 to our historical consolidated financial statements for additional information.
 - (5) In June 1998, we acquired Klick, Kent & Allen, Inc. In September 1998, we acquired S.E.A., Inc., Kahn Consulting, Inc., and KCI Management Corp. These business combinations were accounted for as purchases. See Note 4 to our historical consolidated financial statements for additional information.
 - (6) Effective January 31, 2000, we acquired Policano & Manzo, L.L.C. in a business combination accounted for as a purchase. See Note 4 to our historical consolidated financial statements for additional information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

Overview

FTI is a multi-disciplined consulting firm with leading practices in the areas of financial restructuring, litigation support and engineering and scientific investigation. Our Financial Consulting division, which accounted for 39% of our 1999 pro forma revenues and was our most profitable division, offers a broad range of financial consulting services, such as forensic accounting, bankruptcy and restructuring analysis, expert testimony, damage assessment, cost benefit analysis and business valuations. Our Litigation Consulting division, which accounted for 27% of our 1999 pro forma revenues, provides advice and services in connection with all phases of the litigation process. Our Applied Sciences division, which accounted for 34% of our 1999 pro forma revenues, offers forensic engineering and scientific investigation services, accident reconstruction, fire investigation and expert testimony regarding intellectual property rights. From 1997 to 1999, our revenues grew at an average annual rate of about 38%.

Revenues generated by our business divisions consist primarily of fees for our professional services. We charge our professionals' time at hourly rates, which vary from professional to professional, based on the professional's position, experience and expertise. We also directly bill our clients for services provided by our independent consultants. We recognize revenues for the production of our work product, including static graph boards, color copies and digital video production and fees for use of our equipment and facilities. We also pass through our out-of-pocket expenses, such as our cost of recruiting subjects and participants for research surveys and mock trial activities and our travel. We recognize revenues in the period when the service is provided.

Our direct cost of revenues consists primarily of employee compensation and related payroll benefits, the cost of outside consultants assigned to revenue-generating activities and other related expenses billable to clients.

Selling, general and administrative expenses consist primarily of salaries and benefits paid to office and corporate staff, as well as rent, marketing and corporate overhead expenses. In 1999, selling, general and administrative expenses accounted for about 28% of our pro forma revenues. Our corporate overhead costs other than depreciation and amortization, which are included in selling, general and administrative expenses, represented about 5% of pro forma revenues in 1999.

We are organized into three distinct operating segments that contribute to the overall performance of our company. As such, we evaluate segment performance and allocate resources based on the operating income before depreciation and amortization, corporate general and administrative expenses and income taxes for each division. In 1999, our Financial Consulting division accounted for 57.2% of our pro forma operating income, while our Litigation Consulting division accounted for 26.1% and our Applied Sciences division accounted for 16.7%.

On June 30, 2000, we had about \$93.7 million of unamortized goodwill, which we are amortizing over 15- to 25-year periods. Annual goodwill amortization, including goodwill associated with the acquisition of P&M, is approximately \$5.1 million. Approximately \$14.6 million of our unamortized goodwill is not deductible for tax purposes. Consequently, we estimate that our effective tax rate for 2000 will be about 42% before amortization of goodwill and 44% after amortization of goodwill.

We intend to use our net proceeds from this offering and our other financial resources to repay all \$30.4 million of our outstanding senior subordinated notes. The senior subordinated notes bear annual interest at 12% payable in cash, and 5% payable in additional subordinated notes. Upon repayment of the notes, our remaining debt outstanding will be about \$59.0 million. The average annual interest rate on this remaining debt will be about 10.5%. We expect annual interest savings from repayment of our senior subordinated notes to be about \$5.1 million.

Recent Acquisitions

Since September 1997, we have made six major acquisitions, all of which were accounted for as purchases, as further described in Note 4 of "Notes to Consolidated Financial Statements," which we have included later in this Prospectus.

On February 4, 2000, we acquired Policano & Manzo as further described in Note 4 of "Notes to Consolidated Financial Statements." P&M, based in Saddle Brook, New Jersey, specializes in providing financial restructuring, advisory and forensic accounting services to the workout and bankruptcy community. These services are provided on a nationwide basis to financially distressed businesses, creditors, investors and other interested parties. The purchase price totaled \$54.9 million, consisting of \$48.3 million in cash, 815,000 shares of our common stock valued at \$5.5 million and acquisition-related expenses of \$1.1 million.

In September 1998, we acquired both S.E.A., Inc. and Kahn Consulting, Inc. ("KCI"). SEA, headquartered in Columbus, Ohio, provides investigation, research, analysis and quality control services in areas such as distress, product failure, fire and explosion, and vehicle and workplace accidents. The SEA acquisition has allowed us to significantly expand its scientific consulting offerings, in addition to providing geographic expansion into the southeast and mid-west markets. KCI, headquartered in New York City, provides expert testimony on accounting and financial issues; forensic accounting and fraud investigation services; strategic advisory, turnaround, bankruptcy and trustee services; and government contract consulting. The acquisitions of KCI and KK&A provided the foundation for expansion of our financial consulting services into cities in which we provide litigation or forensic engineering services.

In June 1998, we acquired Klick, Kent & Allen ("KK&A"). KK&A provides strategic and economic consulting to various regulated businesses, advising on such matters as industry deregulation, mergers and acquisitions, rate and cost structures, economic and financial modeling and litigation risk analysis.

In September 1997, we acquired L.W.G., Inc. and Bodaken Associates. LWG broadened our offerings to the insurance market by adding capabilities in claims management consulting and restoration services. Bodaken enhanced our jury and trial consulting capabilities, particularly in the western region of the U.S.

Results of Operations

Six Months Ended June 30, 2000 and June 30, 1999

Revenues. Total revenues for the six months ended June 30, 2000 increased 58.8% to \$65.6 million compared to \$41.3 million for the six months ended June 30, 1999. For the six months ended June 30, 2000, revenues in our Financial Consulting division grew by \$19.0 million, or 191.3%, to \$28.9 million, compared to the first half of 1999. Our acquisition of P&M as of January 31, 2000 accounted for \$13.3 million of this growth, with \$5.7 million generated by internal growth. Litigation Consulting division revenues increased 25.6% from \$13.6 million in 1999 to \$17.1 million in 2000. The Applied Sciences division experienced revenue growth of 10.7% to \$19.7 million in revenues in the six months ended June 30, 2000, compared to \$17.8 million in the first half of 1999.

Direct Cost of Revenues. Direct cost of revenues consists primarily of billable employee compensation and related payroll benefits, the cost of outside consultants assigned to revenue-generating activities and other related expenses billable to clients. Direct cost of revenues improved to 50.0% of total revenues for the six months ended June 30, 2000, compared to 51.7% of total revenues for the six months ended June 30, 1999. We attribute this improvement primarily to the acquisition of P&M and productivity increases in the Applied Sciences and Financial Consulting divisions.

Selling, General and Administrative Expenses. Selling, general and administrative expenses consist primarily of salaries and benefits paid to our office and corporate staff, as well as rent, marketing and corporate overhead expenses. These expenses were 27.8% of total revenues for the six months ended June 30, 2000,

compared to 35.0% for the six months ended June 30, 1999. This improvement was primarily because P&M's selling, general and administrative expenses were a lower percentage of its revenues and because our total revenues increased substantially more than our selling, general and administrative expenses.

Amortization of Goodwill. Amortization of goodwill increased from \$1.1 million in the first half of 1999 to \$2.2 million in the first half of 2000 as a result of our acquisition of P&M as of January 31, 2000.

Interest Expense, net. Net interest expense increased to \$5.5 million for the six months ended June 30, 2000, from \$1.8 million for the six months ended June 30, 1999. Interest expense consisted primarily of net interest expense associated with the purchased businesses referred to above, including P&M, and the refinancing of our debt on February 4, 2000. We discuss this refinancing below in "Liquidity and Capital Resources."

Income Taxes. In the first half of 2000, our effective income tax rate decreased to 44.0% from 47.2% in the first half of 1999. This decrease was primarily the result of the proportionately lower non-deductible goodwill amortization resulting from some of our acquisitions in 1997 and 1998.

Extraordinary Item, net of taxes. As a result of the write-off of unamortized debt discount and deferred financing costs associated with the debt that we refinanced on February 4, 2000, we had an \$869,000 loss on early extinguishment of debt, net of taxes in the first half of 2000.

Years Ended December 31, 1999, 1998 and 1997

Revenues. Total revenues in 1999 increased 44.4% to \$84.6 million from \$58.6 million in 1998. Our Financial Consulting division's revenues grew by 114.0% to \$19.9 million from \$9.3 million, with \$8.6 million of that growth coming from the KCI acquisition in 1998 and \$2.0 million from internal growth. Litigation Consulting division revenues increased 9.8% to \$29.1 million in 1999 from \$26.5 million in 1998 as a result of an improved volume of cases. Our Applied Sciences division experienced 56.2% in revenue growth in 1999 to \$35.7 million from \$22.8 million in 1998, nearly all of which came from the acquisition of SEA in September 1998.

Total revenues in 1998 increased 32.7% over 1997. Excluding acquisitions completed in 1998, revenues would have increased 6.9%. Litigation Consulting revenues decreased 5.3% from 1997 to 1998 as a result of softness in the markets during the second and third quarters of 1998. Our Applied Sciences division experienced 90.4% growth in 1998, with more than half of that growth coming from the acquisition of SEA. The Financial Consulting division's revenues grew by 120.2%, with substantially all of that growth coming from the KCI acquisition.

Direct Cost of Revenues. Direct cost of revenues was 52.2% of our total revenues in 1999, 53.6% in 1998 and 53.3% in 1997. The improvement in 1999 resulted from a mix of price increases and improved productivity.

Selling, General and Administrative Expenses. As a percent of our total revenues, these expenses were 34.1% in 1999, 35.0% in 1998 and 34.3% in 1997.

Amortization of Goodwill. Annual amortization of goodwill increased from \$81,000 in 1997 to \$2.3 million in 1999, as a result of our acquisitions. Amortization will increase substantially in 2000 as a result of the P&M acquisition. We discuss goodwill amortization further in "Future Assessment of Recoverability and Impairment of Goodwill" below.

Other Income and Expenses. Interest expense consisted primarily of interest on debt we incurred to purchase the businesses referred to above. Interest expense will also increase substantially in 2000 as a result of the P&M acquisition and the associated refinancing of our existing debt in February 2000.

Income Taxes. Our effective tax rate increased to 43.6% in 1999 from 43.2% in 1998, and 40.6% in 1997, principally as a result of some of the goodwill amortization not being deductible for income tax purposes.

See Note 8 of "Notes to Consolidated Financial Statements" for a reconciliation of the federal statutory rate to our effective tax rates during each of these years, and a summary of the components of our deferred tax assets and liabilities.

Future Assessment of Recoverability and Impairment of Goodwill

In connection with our various acquisitions, including P&M, we recorded goodwill, which we are amortizing on a straight-line basis over periods of 15 to 25 years. These are the periods during which we estimate we will benefit from this goodwill. At June 30, 2000, unamortized goodwill was \$93.7 million, or 61.4% of our total assets and 205.6% of our stockholders' equity. Goodwill arises when an acquirer pays more for a business than the fair value of the tangible and separately measurable intangible net assets. For financial reporting purposes, goodwill and all other intangible assets are amortized over the estimated period benefited. We have determined the period for amortizing goodwill based upon several factors, the most significant of which are the relative size, historical financial viability, growth trends of the acquired companies and the relative lengths of time these companies have been in existence.

Our management periodically reviews the carrying value and recoverability of our unamortized goodwill. If the facts and circumstances suggest that the goodwill may be impaired, we would adjust the carrying value of the goodwill. This would result in an immediate charge against income during the period of the adjustment and/or a shortening of the length of the remaining amortization period, which would result in an increase in the amount of goodwill amortization during the period of adjustment and each period thereafter until fully amortized. If we adjust goodwill, we cannot assure you that we will not have to make further adjustments for impairment and recoverability in future periods. The most significant of the factors we will consider in determining whether goodwill is impaired will be losses from operations; loss of customers; and industry developments such as our inability to maintain market share, the development of competitive products or services or imposition of additional regulatory requirements.

Liquidity and Capital Resources

In the first half of 2000, we generated \$3.0 million of cash flow in our operations, compared to \$3.2 million in the first half of 1999. We attribute this lower cash flow to the increase in our net working capital balances, including the working capital needs of P&M, reduced by the significant increase in net income excluding non-cash charges for depreciation and amortization and the extraordinary item of \$1.5 million, before taxes. We anticipate that our cash flow from operations for the rest of 2000 will increase over 1999, primarily because of our expected increase in net income before non-cash charges.

In 1999, we generated \$8.4 million of cash flow from operations, an improvement of \$3.1 million from 1998. We attribute this increase to our higher net income excluding non-cash charges (principally depreciation and amortization) of \$2.2 million and the favorable net cash effects of changes in working capital balances.

To finance the P&M acquisition, we entered into:

- . a senior credit facility, consisting of a \$61.0 million amortizing term loan maturing through January 31, 2006, initially bearing interest at LIBOR plus specified margins ranging from 3.25% to 3.75%, which may decline based on our leverage ratio;
- . a \$7.5 million revolving credit facility (not initially drawn down), bearing interest at prime plus 1.75%, which also may decline based on our leverage ratio; and
- . \$30.0 million of senior subordinated notes maturing January 31, 2007, bearing 12% annual cash interest and 5% annual interest payable in kind (PIK).

The credit facilities are secured by all of our assets. We are required to comply with various specified financial covenants related to our operating performance and liquidity at the end of each quarter. Further, we have obtained interest rate protection on \$41.0 million of the \$61.0 million term loan. We believe we will be in

compliance with all our other loan covenants throughout 2000. We used the proceeds of these facilities, together with approximately \$2.0 million of our existing cash, to purchase P&M and to refinance our existing debt of approximately \$44.0 million. We also issued 604,504 shares of our common stock to retire approximately \$2.7 million of our seller notes to several members of our senior management team whose businesses we had previously acquired.

In connection with the senior subordinated notes, we issued the holders warrants to purchase approximately 670,000 shares of our common stock at an exercise price of \$4.44 per share. The warrants expire ten years from the date of closing. At the same time, we retired warrants for 130,835 shares of our common stock issued in March 1999 in connection with our prior subordinated debt of \$13.0 million, which we repaid as part of this refinancing.

In 1998, we had borrowed \$26.0 million under our prior \$27.0 million long-term credit facility with a bank to provide the \$26.4 million of cash needed to acquire KK&A, KCI and SEA. We negotiated this credit facility in March 1999 and repaid it on February 4, 2000. In March 1999, we issued \$13.0 million of subordinated debentures, that we also repaid on February 4, 2000.

In connection with the acquisition of businesses in 1997 and 1998, we issued seller notes that totaled \$10.8 million at December 31, 1999. We repaid \$8.1 million of these notes in the refinancing on February 4, 2000, and exchanged approximately \$2.7 million for our common stock as noted above.

During the six months ended June 30, 2000, we spent \$1.7 million for additions to property and equipment. This amount included expenditures for internal information systems that allow us to better manage our expanding operations. At June 30, 2000, we had no material commitments for the acquisition of property and equipment other than a lease for a new office in New York City, which we expect to occupy before the end of the third quarter of 2000. We estimate that we will spend about \$2.2 million for leasehold improvements, furniture and fixtures for this new office.

During 1999, we spent \$3.1 million for additions to property and equipment. This amount included expenditures for our internal information systems. At December 31, 1999, we had no material commitments for the acquisition of property and equipment.

We believe that cash generated from our operations will allow us to meet our obligations that mature in 2000, and also provide us the necessary cash resources we will need in the near term to fund our expanding operations. We will use the proceeds of this offering to repay our senior subordinated notes, which will significantly decrease our leverage and interest expense and we believe increase our ability to obtain financing in the future should the need arise. As a result of our prepaying the senior subordinated notes, the warrants we issued to the holders of these notes will be reduced from the right to purchase 670,404 shares to the right to purchase 473,226 shares of our common stock at \$4.44 per share.

Year 2000 Compliance

During 1999, we implemented a four-stage process to assure Year 2000 compliance of all hardware, software and ancillary equipment that are date dependent. We completed all four phases and believe that the Year 2000 issue did not and will not cause us any significant operational problems. In addition, we contacted our important suppliers and customers and received positive statements of compliance from all significant third parties. To date, we are not aware of any Year 2000 non-compliance by our customers or suppliers that would have a material impact on our business. We are not aware of any other material Year 2000 non-compliance that would require repair or replacement or that could have a material effect on our financial position. We cannot assure you, however, that we will not face unanticipated Year 2000 non-compliance problems. If we do, we may have to spend material amounts and could face material disruptions to our business. We have developed a strategy to address these potential consequences and contingency plans to deal with any disruptions.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from the changes in the price of financial instruments. We are exposed to market risk from changes in interest rates which could affect our future results of operations and financial condition. We manage our exposures to these risks through our regular operating and financing activities, including the use of derivative financial instruments.

At June 30, 2000, \$60.0 million of our long-term debt bore interest at variable rates. Accordingly, our earnings and after-tax cash flow are affected by changes in interest rates. To mitigate our exposure, management has utilized six-year interest rate swap and cap agreements covering \$41.0 million of our long-term debt. In the event of adverse changes in interest rates, management may take actions to further mitigate our exposure.

BUSINESS

Overview

We are a multi-disciplined consulting firm with leading practices in the areas of financial restructuring, litigation consulting and engineering and scientific investigation. Modern companies, as well as those who advise and invest in them, face growing challenges on every front. From a proliferation of "bet-the-company" litigation to increasingly complicated relationships with lenders and investors in an ever-changing global economy, U.S. companies are increasingly turning to outside experts and consultants to deal with these complex issues. We are dedicated to helping companies and their advisors, lawyers, lenders and investors meet these challenges by providing a broad array of the highest quality professional services from a single source.

We operate through three business divisions: Financial Consulting, Litigation Consulting and Applied Sciences. Financial Consulting provides a range of financial consulting services to financially distressed debtors or their creditors and investors. Litigation Consulting provides advice and services throughout all phases of the litigation process. Applied Sciences offers forensic engineering and scientific investigation services, such as accident reconstruction, fire investigation and product failure analysis. In all areas of our business, we believe that our staff of accounting, economic and statistical, engineering, scientific, communication, artistic, computer management and jury professionals are recognized experts in their fields. This, coupled with the broad range of expertise we offer our clients, is how we compete in the marketplace.

Our clients retain us when confronted with adverse situations such as bankruptcy, litigation, regulatory investigations or proceedings or insurance claims. We believe that they retain us for several reasons, including:

- . our recognized expertise;
- . our unique capabilities in several highly specialized areas;
- . their need for an impartial expert;
- . our disciplined project management approach that allows us to deliver consistently high-quality advice and services, on schedule and on budget; and
- . the trend in business generally to outsource non-core activities, especially in those areas that are complex, unique and incident-driven.

Over the past three years, we have taken several steps to extend our range of services, leverage our reputation for quality and client service and grow our business, including the following:

- . completed six acquisitions that significantly expanded our size, service offerings and geographic scope;
- . expanded into financial consulting services for restructurings and bankruptcy proceedings;
- . recruited more recognized litigation support professionals and added to our visual communications staff; and
- . developed proprietary trial preparation and presentation software and software to facilitate forensic engineering and scientific investigation.

We currently have major offices in New York, Columbus, Chicago, Houston, Los Angeles, Annapolis and Washington, D.C., as well as over 25 other locations in the United States.

Industry Overview

We serve businesses, lenders, investors, insurers and their legal counsel in adverse circumstances such as class action lawsuits, financial restructurings and bankruptcy proceedings and accident investigations. Clients' reputations, financial condition and very existence are sometimes at stake. Consequently, our clients require objective and professional advice from independent experts. Also, many businesses, lenders, investors, insurers and law firms are increasingly outsourcing functions that have become very specialized or require unique knowledge or technology.

Litigation Consulting and Applied Sciences. Currently, the market for legal services in the United States exceeds \$100 billion annually, according to U.S. Bureau of Census statistics. We expect this market to continue to grow as rising litigation costs and the risks of large monetary judgments continue to focus businesses on better managing risks and the litigation process. Increasingly, businesses, financial institutions and law firms are turning to outside litigation service consultants to complement or assist their internal legal staffs in more efficiently and effectively managing the litigation process. Demand for specialized litigation and forensic engineering services is also being driven by a greater emphasis on loss and injury prevention by insurance companies and manufacturers and significant advances and declining costs in information technology. Manufacturers are increasingly concerned about product safety and analyzing failures to make products safer as a result of the proliferation of mass tort claims and the high costs of product recalls mandated by government agencies. Insurance companies are also partnering with manufacturers for the same reasons. Continuing advances and the declining costs of information technology have resulted in a much greater use of computer simulations and animations for a wider range of disputes, as well as for product testing and employee training. Further, such advances and declining costs have resulted in the cost-effective use of engineering applications beyond high exposure litigation and high value products.

Traditionally, litigation consulting firms focused on discrete stages of the litigation process from inception of a cause of action, through a jury trial to final resolution. Today, clients are seeking outside consulting services throughout the entire process, including the pre-litigation phase.

Financial Consulting. We have greatly expanded our capabilities and size in financial restructuring and bankruptcy advice since 1998. We believe that the number of financial restructurings and bankruptcies will continue to grow because of intense competition and rapidly changing markets in many industries, the deregulation of various industries and the recent lengthy economic growth during which many companies expanded aggressively. The bankruptcy market is rapidly expanding as more companies seek Chapter 11 protection.

According to Standard & Poor's Credit Week, 1999 was one of the worst years ever in terms of corporate defaults, with the highest level of defaulted debt ever reported. Only about 40% of last year's defaults related to economic turmoil. In fact, most defaults occurred in spite of the recent years of uninterrupted economic prosperity. Standard & Poor's predicts that the current wave of defaults will continue for at least the next several years. According to New Generation Research, a research center for information on bankruptcies and turnarounds, 120 publicly traded companies, with assets totaling \$28.9 billion, filed for bankruptcy in 1998, compared to 82 publicly traded companies, with assets totaling \$17.3 billion, in 1997. In 1999, 145 public companies, with assets totaling \$58.8 billion, filed for bankruptcy.

Business Strategy

We believe that we are the established leader in consulting to companies and their creditors facing adverse circumstances. Our goal is to expand our lead by continuing to anticipate our clients' needs and provide a range of high-quality consulting services to meet those needs. Success in this marketplace depends on reputation, service capacity, in some cases geographic location and to a lesser degree price. The following are the key elements of our business strategy:

- . Leverage Our Reputation for High Quality Consulting Services. We believe that size and reputation are critical elements in the purchasing decisions of businesses, law firms, financial institutions and insurance companies. We provide services to many Fortune 500 companies and major law firms. We regularly handle many complex, high-profile restructuring and litigation matters. We receive a high level of repeat business from our current clients and have been successful in expanding the range of services we provide to them. We believe we can continue to successfully leverage our reputation, experience and client base to obtain new engagements from both existing and new clients.

- . Retain and Attract Highly Qualified Professionals. Our professionals are crucial to delivering our services to clients and generating new business. We are committed to retaining our existing professionals and continuing to aggressively recruit additional professionals. We offer our professionals above-average compensation opportunities, competitive benefits and challenging engagements. Existing employees are our greatest recruiting asset and the source of a majority of referrals. We will continue to encourage our employees to refer highly qualified professionals to us and reward them for these referrals.
- . Capitalize on Our Nationwide Network of Offices. We have established a nationwide network of 33 offices that enables us to leverage our operations in key geographic markets. We believe that we have a competitive advantage because we can provide services to large, geographically diverse corporations and bid for engagements on a nationwide basis. We also believe that our proximity to our clients provides a significant cost advantage by allowing us to balance resources and centralize a number of labor-intensive activities, including graphics support and document management. We intend to continue to expand the range of services provided by each of our offices. Also, our network of offices allows us to attract highly qualified professionals and to acquire highly respected firms that would like the ability to provide services on a nationwide basis.
- . Expand the Range of Our Services. We will continue to anticipate our clients' growing needs for expert services and expand our services to meet their needs. By expanding the range of our capabilities and integrating them with existing services, we can continue to position ourselves to provide more broad-based services to our clients. In recent years, we have significantly expanded our range of services to include such services as visual communications, forensic engineering, restructuring and bankruptcy consulting and electronic document management.
- . Continue to Expand the Use of Technology in Litigation Consulting. We will continue to develop and apply new technology to improve the cost-effectiveness of our services and to maintain our competitive edge. For example, we recently developed our eWar Room service, a new technology-based trial service that accelerates lawyers' trial preparation by combining specialized consulting with powerful new software. We are also focusing on taking advantage of the efficiencies of the Internet to improve information exchange and reduce costs throughout the entire litigation process. For example, we have recently introduced our secure extranet service to provide more solutions to the challenges of the increasing complexity of high stakes, multi-district litigation.
- . Selectively Acquire Companies to Obtain New Professionals and Capabilities. We will continue to build on our record of successfully identifying, executing and integrating strategic acquisitions. Since 1997, we have made six acquisitions that have enhanced our position as the leader in consulting to companies facing adverse circumstances. We will continue to selectively pursue strategic acquisitions that offer complementary businesses that we can leverage with our existing client base, offer increased efficiencies by leveraging our network of 33 locations, add new, highly qualified professional staff, and bring new clients to which we can cross sell our existing capabilities.

Financial Consulting

Our Financial Consulting division provides expertise in financial restructurings and workouts, forensic accounting and statistical and economic analysis. As a result of the recent increase in bankruptcy filings and defaults in speculative-grade debt, Financial Consulting has become the fastest growing of our three divisions.

As part of our financial restructuring and workout practice, we provide services to financially distressed companies or to the secured and unsecured creditors of these companies. Our financial restructuring professionals advise companies and creditors in some of the largest, most complex bankruptcy proceedings and out-of-court restructurings in the United States. When advising a corporate client, we work with the company's management to assess the client's financial condition and viability, and then structure and implement a business rehabilitation plan to manage the client's cash flow to at least a break-even point. We also identify any non-essential assets that can be sold to generate cash. Typically, we then assist these corporate clients as they

negotiate with their lenders to restructure their debt. In the event an out-of-court workout appears unlikely, we assess the impact of a bankruptcy filing on the client's financial condition and operating performance and seek Debtor-in-Possession financing on the client's behalf. If the client voluntarily files bankruptcy or is involuntarily forced into bankruptcy, we will assist in managing the entire bankruptcy process, including structuring, negotiating with creditors and implementing the plan of reorganization. We also render expert testimony in connection with the bankruptcy proceeding on such issues as business unit valuation and economic loss.

When assisting creditors, we seek to maximize amounts owed to them by the debtor in an out-of-court workout or bankruptcy. In a workout engagement, we evaluate and monitor the quality and value of the collateral and any other assets available to the creditor, analyze the debtor's business plan and underlying cash flow projections and assess the adequacy of the debtor's financial reporting systems. Based on our analysis, we then assess the debtor's viability and develop and evaluate restructuring plans. In the event that an out-of-court workout is not feasible, we assist creditors in deciding whether to provide Debtor-in-Possession financing, in working through the bankruptcy process and in structuring and evaluating various reorganization plan alternatives.

Our forensic accounting specialists work with companies faced with fraud and financial disclosure issues. Many of these companies are undergoing restructuring or bankruptcy reorganizations. Our statistical and economic experts use a range of statistical and economic tools to help companies evaluate issues, such as the economic impact of deregulation on a particular industry, the amount of commercial damages suffered by a business as a result of a tort or a breach of contract, the existence of discriminatory employment practices or the value of a business or professional practice. We also work with clients to develop business strategy and tactics on an ongoing basis to address these issues.

Litigation Consulting

During the past 18 years, we have been a pioneer in developing and delivering professional services and creative solutions to litigation problems. We focus on developing and providing innovative applications from the fields of accounting, science, education, communications and technology to meet our clients' needs. From the first computer animations used in court to the latest in digital graphic presentations, we have been a leader in providing high-quality, cost-effective methods to prepare for and try cases. Our trial technology professionals have supported clients in the courtroom in some of the largest and most complex civil trials. Through the use of information technology and the Internet, we have demonstrated our ability to control litigation costs, speed-up the trial process and provide litigants superior access to data, a key competitive advantage.

We have drawn on the skills and techniques used in 3D computer animation and simulation and pioneered their use to enhance presentations and expert testimony on complex subjects, such as toxic torts, vehicle accidents, airplane crashes, financial disputes, intellectual property resolutions and physical phenomena. The significant decrease in the cost of technology has made it a cost-effective alternative for most trials. Further, the dramatic increase in the size of trials and volume of information has made the visualization of concepts and themes through animated and static "pictures" a necessity for an effective presentation to a judge or jury.

One of the important trends affecting the growth of litigation consulting is the increasing sophistication of courtroom presentation and document management techniques. Computerized document management in cases involving thousands or even millions of pages of depositions, testimony and exhibits is becoming a necessity in the federal and state court systems. Our document management and exhibit and trial preparation solutions enable our clients to better focus on preparing for and trying cases.

The following are the type of services we might provide in a complex litigation matter:

- . visual communication consulting services;
- . graphic exhibit design and production;

- . customized database development and distribution;
- . video deposition capture and transcript linking;
- . management of designated trial exhibits;
- . courtroom survey, design and configuration;
- . on-site technical trial support;
- . hardware procurement and tracking; and
- . secure extranet storage and distribution of data, documents, transcripts, videos and exhibits.

We have developed a number of technology-based tools to assist our clients in managing complex litigation:

- . TrialMax(TM) is our comprehensive trial preparation solution. TrialMax(TM) provides a litigation team with the ability to easily store, annotate and display documents, computer graphics, video clips and digitized depositions in the courtroom. One of the innovative features of TrialMax(TM) is its ability to segment digitized video depositions for presentation in the courtroom.
- . eWar Room is our automated tool for handling trial data regardless of information source or data type. This tool electronically retrieves and displays documents in court in any order selected by the lawyer and also enables document highlights to be presented to the judge or jury. Using our service, trial lawyers can now review an entire exhibit package on screen, make changes in real time and rehearse in any media they select, from graphics, video or PowerPoint to paper documents. With the assistance of our professionals, trial lawyers can develop key themes and concepts, and we help them get their point across in the most effective manner.
- . Secure Extranet Services is our recently introduced Internet application for clients who are parties to multi-district litigation. This service will further our objective of providing better and more cost-effective service to our clients.

We believe the extranet will become the backbone for the delivery of custom litigation support software applications and services designed for delivery over the Internet. To maintain our competitive technological edge, we recently created a strategic alliance with USinternetworking, one of the leading application service providers, to host our secure extranet service.

Applied Sciences

Our Applied Sciences division specializes in forensic engineering and scientific investigation. We analyze the causes of accidents and other claims resulting from fires, vehicle design, chemical mishaps, poor product design and other causes. As an extension of our engineering and scientific work, clients also seek expert testimony from our professionals and network of more than 2,000 on-call technical and scientific consultants.

Our Applied Sciences professionals blend state-of-the-art technology with their many years of practical experience. For example, we have developed a proprietary software and full-scale test equipment system for calculating the precise performance characteristics and center of gravity of virtually any vehicle, which may be critical in determining liability in accident cases. We also use this equipment to assist vehicle manufacturers, government agencies and auto racing teams in maximizing safety and vehicle performance.

We believe we are the leader in vehicle accident reconstruction and highway defect litigation. Visually demonstrating accidents has become an accepted and even a necessary trial tool. For example, we have recently provided aircraft accident analysis for several high-profile crashes. We employ our expertise to create computer simulations for our Litigation Consulting division for courtroom presentation. We also created a complete aircraft crash simulation video that a number of airlines have adopted for pilot training.

Our Applied Sciences professionals are well-recognized as experts in the investigation of fires and explosions. Our staff includes origin and cause experts, flammability reconstructionists, fire protection

engineers, electrical engineers and mechanical engineers. We have staged actual fires in real buildings for research and training purposes, using these exercises not only to educate our own staff but to also train insurance, legal and government organizations.

We are also engaged by companies at an early stage of potential litigation to evaluate the cause of product failures and relative responsibility for an accident, or to assess product safety or preventative safety measures. The Applied Sciences division also assists companies in assessing preventative measures relating to product design and evaluating the causes of product failures. We are regularly called upon to assess the causes and relative levels of responsibility for an accident, as well as to design preventative measures. Because we are engaged early in the process, we believe our revenues from these services are steadier and less incident-driven than those of our competitors who are focused exclusively on trial preparation and presentation.

Clients

We have cultivated long-term relationships with many of the premier financial institutions, law firms and businesses in the U.S. In 1999, we worked for over 1,900 clients, including:

- . 1,139 law firms, 60 of which were rated among the top 100 law firms (based on 1998 U.S. revenues as measured by American Lawyer magazine);
- . 198 industrial clients, 75 of which were among the Fortune 500 in 1999;
- . 22 of the 25 largest banks located in the U.S. (also listed among the Fortune 500 in 1999); and
- . 447 insurance companies, 61 of which were among the top 100 property and casualty insurers (as reported by A.M. Best Company in 1999).

In 1999, we derived approximately 75% of our revenues from existing clients or referrals from existing clients. Our largest client represented less than 8% of our 1999 revenues. As of December 31, 1999, we were actively working on 3,369 different matters for 1,732 different clients.

Marketing and Sales

Historically, we have relied primarily on our reputation to market our services to new and existing clients since most of our work is repeat work for existing clients or referrals from existing clients. Our professionals develop close, personal relationships with clients and often learn about new business opportunities from their frequent contacts with clients. Consequently, we encourage our professionals to generate new business and reward them with increased compensation and promotions for generating new business.

Our Litigation Consulting division has about ten full-time sales people and our Applied Sciences division has about 20 full-time sales people who are involved in marketing our services. Our Financial Consulting division primarily relies upon referrals and does not require sales personnel. In marketing our services, we emphasize our experience, the quality of our services and our professionals' particular areas of expertise. While we aggressively seek new business opportunities, we maintain high professional standards and carefully evaluate potential new client relationships and engagements.

We plan to develop greater brand awareness of "FTI" as a provider of a broad range of high-quality consulting services. We are currently focused on improving the quality and functionality of our Web sites, where we describe our services and experience and promote our reputation. Although we currently market many of our services under different names, we are in the final stages of a brand identification study by an outside consulting firm. As a result of this study, we expect to build and promote a single brand.

Competition

The markets in which we operate are highly competitive. We face competition from several national companies, national accounting firms and a number of smaller firms that provide one or more services in local

and regional markets. Financial Consulting competes primarily against national accounting firms and private financial consulting firms. Litigation Consulting competes against Trialgraphics, Decision Quest, Engineering Animation, Exponent and, to a limited extent, other litigation consulting services and individual consultants. Applied Sciences competes primarily against several regional or national concerns, independent experts and research organizations.

Competitive factors for our services include reputation, size, geographic location, performance record, quality of work, range of services provided and relationships with clients. To a lesser extent, we also compete on price, but the critical nature of our services typically reduces price to a secondary consideration.

Some national support service providers are larger than we are and, on any given engagement, may have a competitive advantage over us with respect to one or more competitive factors. In addition, smaller local or regional firms, while not offering the range of services we provide, often are able to provide the lowest price on a specific engagement because of their lower overhead costs and proximity to the engagement. The fragmented nature of our markets may also provide opportunities for large companies that offer complementary services to enter one or more of our markets through acquisition. In the future, these and other competitive pressures could require us to modify our pricing or increase our spending for marketing to attract business.

Human Resources

As of June 30, 2000, we had 519 employees. Of that total, 110 are in the Financial Consulting division, 122 are in the Litigation Consulting division, 250 are in the Applied Sciences division and 37 are in corporate management and administrative positions. We also maintain consulting arrangements with about 1,700 independent consultants, about 430 of whom were utilized on our engagements during 1999. About 79% of our professionals have more than ten years of experience in their field of practice, and many are well recognized for their expertise and experience.

Our professionals have varied specialties and specialized backgrounds in such fields as engineering, accounting, mathematics, statistics and psychology. A number have Ph.D.s or other advanced degrees. Some have legal training and experience. We strongly believe that our ability to recruit and retain bright, experienced and ambitious professionals is a key factor to our continued success.

We believe that professionals join us at FTI because we provide challenging work assignments and compensation packages that are generally above the industry standard. People who join FTI gain practical experience and knowledge from highly talented co-workers, and we treat them as valued professionals. Moreover, most of our professional employees participate in an incentive compensation plan in addition to receiving base salaries.

Properties

We lease our principal facility in Annapolis, Maryland, which totals approximately 39,100 square feet, under a lease that expires in December 2003. We also lease 32 other offices across the United States, including offices in cities such as New York, Chicago, Houston, Los Angeles, Atlanta, Columbus and Washington, D.C. We believe that our leased facilities are adequate for our current needs and that suitable additional space, should it be needed, will be available to accommodate expansion of our operations on commercially reasonable terms.

Legal Proceedings

We are not currently a party to any material litigation.

MANAGEMENT

The following are our executive officers and directors:

Name ----	Age ---	Positions -----
Jack B. Dunn, IV.....	49	Chairman of the Board and Chief Executive Officer
Stewart J. Kahn.....	56	President, Chief Operating Officer and Director
Theodore I. Pincus.....	57	Executive Vice President, Chief Financial Officer and Secretary
Patrick A. Brady.....	46	President, Litigation Consulting Division
Glenn R. Baker.....	58	President, Applied Sciences Division
Barry M. Monheit.....	53	President, Financial Consulting Division
Scott S. Binder.....	45	Director
Denis J. Callaghan.....	58	Director
James A. Flick.....	66	Director
Peter F. O'Malley.....	61	Director
Dennis J. Shaughnessy...	52	Director
George P. Stamas.....	49	Director

Jack B. Dunn, IV became our Chairman of the Board of Directors in December 1998 and has served as our Chief Executive Officer since October 1995. From October 1995 to December 1998 he also served as our President. From May 1994 to October 1995 he served as our Chief Operating Officer, and from October 1992 through September 1995 he served as our Chief Financial Officer. Mr. Dunn is a limited partner of the Baltimore Orioles. Prior to joining us, he was a member of the Board of Directors and a Managing Director of Legg Mason Wood Walker, Incorporated and directed its Baltimore corporate finance and investment banking activities.

Stewart J. Kahn has served as our President since December 1998 and as our Chief Operating Officer since September 1999. Mr. Kahn is also a director of Kahn Consulting, Inc. ("KCI"), the accounting and financial services consulting firm we acquired in September 1998. From 1989 to September 1998, Mr. Kahn was a director and President of KCI. Prior to 1989, he was with Arthur Andersen & Co. for 24 years. He is a certified public accountant.

Theodore I. Pincus has been our Executive Vice President and Chief Financial Officer since March 1999. Prior to joining us, Mr. Pincus was Executive Vice President and Chief Financial Officer of Nitinol Medical Technologies from May 1995 to March 1999. Before then, he was President of the Pincus Group, a financial consulting firm, from December 1989 to May 1995. Earlier in his career, he was a partner at Ernst & Young and was Partner-in-Charge of Management Consulting in the New York Region of KPMG Main Hurdman, both public accounting firms. He is a certified public accountant.

Patrick A. Brady has been President of our Litigation Consulting division since May 1999. From 1994 to May 1999, he was Executive Vice President of Litigation Consulting, and from 1996 to May 1999, he was also our Chief Operating Officer. From 1994 to 1996, Mr. Brady was General Manager of our Visual Communications and Trial Consulting Services. Mr. Brady joined us in 1986 and specialized in project management methodologies for dealing with major failure investigations and complex litigation matters.

Glenn R. Baker has been President of our Applied Sciences division since September 1998. Prior to joining us, he was Chief Executive Officer and President of SEA, which we acquired in September 1998. Mr. Baker co-founded SEA in 1970. Mr. Baker is a certified fire investigator and obtained his MBA in 1966.

Barry M. Monheit has been President of our Financial Consulting division since May 1999. From 1992 to 1998, he was a Managing Director of KCI. We acquired KCI in September, 1998. Prior to joining KCI, Mr. Monheit was the Partner-in-Charge of Arthur Andersen & Co.'s New York Financial Consulting Division and its U.S. bankruptcy and reorganization practice. Before joining Arthur Andersen in 1988, he served as Partner-in-Charge of Spicer and Oppenheim's bankruptcy and reorganization practice and as managing director of its Houston office. Mr. Monheit is a certified public accountant.

Scott S. Binder became a director of FTI in May 1999. Since 1997, he has been a Principal with Allied Capital Corporation. From 1985 until 1997, Mr. Binder was President of Overland Capital Corporation, an owner and operator of cable television systems and radio stations. From 1991 until 1998, he was also a director of CIH, Ltd. a Washington, D.C. public affairs consulting firm. Mr. Binder is a certified public accountant.

Denis J. Callaghan became a director of FTI on July 25, 2000. Mr. Callaghan retired from Deutsche Banc Alex. Brown on February 29, 2000, where he was the Director of North American Equity Research. Prior to becoming Director of Equity Research in 1992, Mr. Callaghan was responsible for Alex. Brown's Insurance and Financial Services Research Groups. Prior to joining Alex. Brown in 1988, he was a Senior Insurance Analyst and First Vice President with PaineWebber.

James A. Flick has been a director of FTI since 1992. He is President, Chief Executive Officer and a director of Dome Corporation, a real estate development and management services company. He is also President of Winnow, Inc. From 1991 through 1994, Mr. Flick was an Executive Vice President of Legg Mason Wood Walker, Incorporated. Mr. Flick also is a director of Capital One Financial Corporation and Bethlehem Steel Credit Affiliates. Mr. Flick is a certified public accountant.

Peter F. O'Malley has been a director of FTI since 1992. He is President of Aberdeen Creek Corporation, a privately-held company engaged in investment, business consulting and development activities. Mr. O'Malley is the founder of, and since 1989 has been Of Counsel to, the law firm of O'Malley, Miles, Nysten & Gilmore. Mr. O'Malley is a director of Potomac Electric Power Company and Legg Mason, Inc.

Dennis J. Shaughnessy has been a director of FTI since 1992. He is a Managing Director of Grotech Capital Group, Inc., a venture capital firm headquartered in Timonium, Maryland. Prior to becoming a Managing Director of Grotech Capital Group in 1989, Mr. Shaughnessy was Chief Executive Officer of CRI International, Inc. Mr. Shaughnessy also is a director of TESSCO Technologies, Inc. and U.S. Vision, Inc.

George P. Stamas has been a director of FTI since 1992. Since December 1999, Mr. Stamas has been Vice Chairman of Deutsche Banc Alex. Brown. From 1996 to 1999, he was a partner in the law firm of Wilmer, Cutler & Pickering. Before then, he was a partner in the law firm of Piper & Marbury L.L.P. Mr. Stamas was counsel to, and is a limited partner of, the Baltimore Orioles.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table shows the beneficial ownership of our common stock as of July 31, 2000 by:

- . each stockholder known to us that beneficially owns more than 5% of our common stock;
- . each of our current executive officers and directors; and
- . all of our current directors and executive officers as a group.

The table also shows the number of shares being sold by each selling stockholder and the number and percentage of our outstanding shares each selling stockholder will own after the offering.

Name of Beneficial Owner(1) (2)	Before Offering		Shares Offered	After Offering	
	Shares	Percent		Shares	Percent
Executive Officers, Directors and Employees:					
Jack B. Dunn, IV(3)	387,689	5.8%	50,000	337,689 (33)	3.3%
Stewart J. Kahn(4)	475,194	6.8	50,000	425,194 (33)	4.2
Theodore I. Pincus(5)	15,334	*	--	15,334	*
Patrick A. Brady(6)	184,100	2.8	--	184,100	1.8
Glenn R. Baker(7)	23,533	*	--	23,533	*
Barry M. Monheit(8)	166,652	2.6	50,000	116,652 (33)	1.1
Scott S. Binder(9)	20,000	*	--	20,000	*
Denis J. Callaghan	--	--	--	--	--
James A. Flick, Jr.(10)	69,331	1.1	--	69,331	*
Peter F. O'Malley(11)	79,063	1.2	--	79,063	*
Dennis J. Shaughnessy(12)	80,600	1.3	--	80,600	*
George P. Stamas(13)	61,438	1.0	--	61,438	*
Michael R. Baranowski(14)	44,225	*	7,500	36,725 (33)	*
Dennis A. Guenther(15)	44,882	*	7,834	37,048 (33)	*
Christopher D. Kent(16)	53,070	*	8,500	44,570 (33)	*
John C. Klick(17)	53,070	*	8,500	44,570 (33)	*
Robert Manzo(18)	507,500	7.8	50,000	457,500 (33)	4.5
Michael Policano(19)	507,500	7.8	50,000	457,500 (33)	4.5
Laureen M. Ryan(20)	11,277	*	2,641	8,636 (33)	*
Joseph R. Reynolds, Jr.	441,416	6.9	--	441,416	4.4
All directors and executive officers as a group (12 persons)	2,004,530	27.4	150,000	1,854,530 (33)	16.6
Other Stockholders:					
Allied Capital Corporation(21) (22)	449,935	6.9	351,345	--	--
Allied Investment Corporation(22) (23)	146,938	2.5	146,938	--	--
Bank of America, N.A.	25,000	*	25,000	--	--
Grotech Partners III, LP(24) (25) (26)	389,721	6.1	389,721	--	--
Grotech III Companion Fund, LP(24) (25) (27)	46,439	*	46,439	--	--
Grotech Capital Group, Inc.(24) (25) (28)	75,600	*	20,000	55,600	*
Grotech III Pennsylvania Fund, LP(24) (25) (29)	27,840	*	27,840	--	--
Investment Counselors of Maryland, Inc.(30)	391,000	6.1	--	391,000	3.9
ReliaStar Financial Corp.(31)	111,734	1.7	78,871	--	--
SunTrust Bank, N.A(32)	111,734	1.7	78,871	--	--

(footnotes appear on next page)

* Less than 1%.

- (1) Unless otherwise specified, the address of these persons is c/o FTI Consulting, Inc., 2021 Research Drive, Annapolis, Maryland 21401.
- (2) We use the SEC's definition of beneficial ownership. This means that the persons named in this table have sole or shared voting and/or investment power over the shares shown. Beneficial ownership also includes shares underlying options or warrants currently exercisable or exercisable within 60 days.
- (3) After this offering, includes 34,730 shares of common stock and 294,759 shares of common stock issuable upon the exercise of options. Includes 8,000 shares of common stock over which Mr. Dunn and his wife share voting and investment power and includes 200 shares over which Mr. Dunn and his son share voting and investment power.
- (4) After this offering, includes 298,528 shares of our common stock, 60,000 shares of our common stock issuable on exercise of a currently exercisable warrant and 66,666 shares of our common stock issuable upon exercise of stock options.
- (5) Includes 2,000 shares of our common stock and 13,334 shares of our common stock issuable upon exercise of stock options.
- (6) Includes 5,500 shares of our common stock and 178,600 shares of our common stock issuable upon exercise of stock options.
- (7) Includes 10,200 shares of our common stock and 13,333 shares of our common stock issuable upon exercise of stock options.
- (8) After this offering, includes 52,653 shares of our common stock, 46,666 shares of our common stock issuable upon exercise of stock options and a warrant for 17,333 shares of our common stock.
- (9) Represents 20,000 shares of our common stock issuable upon the exercise of options granted to Mr. Binder as one of our non-employee directors.
- (10) Includes 13,731 shares of our common stock and 55,600 shares of our common stock issuable upon exercise of stock options.
- (11) Includes 23,463 shares of our common stock and 55,600 shares of our common stock issuable upon exercise of stock options.
- (12) Includes 25,000 shares of our common stock and 55,600 shares of our common stock issuable upon exercise of options granted to Mr. Shaughnessy as one of our non-employee directors. Under an arrangement between Mr. Shaughnessy and Grotech Capital Group, Grotech Capital Group has the sole right to exercise the options and exercise voting and investment power over the shares of our common stock issuable on exercise of the options. Mr. Shaughnessy disclaims beneficial ownership of all shares of our common stock and shares issuable upon exercise of warrants held by Grotech III Pennsylvania Fund, Grotech III Companion Fund and Grotech Partners III.
- (13) Includes 5,838 shares of our common stock over which Mr. Stamas and his wife share voting and investment power and 55,600 shares of our common stock issuable upon exercise of options granted to Mr. Stamas as one of our non-employee directors.
- (14) After this offering, includes 30,058 shares of our common stock and a warrant for 6,667 shares of our common stock.
- (15) After this offering, includes 23,715 shares of our common stock and a warrant for 13,333 shares of our common stock.
- (16) After this offering, includes 36,570 shares of our common stock and a warrant for 8,000 shares of our common stock.
- (17) After this offering, includes 36,570 shares of our common stock and a warrant for 8,000 shares of our common stock.
- (18) After this offering, includes 357,500 shares of our common stock and 100,000 shares of our common stock issuable upon exercise of stock options.
- (19) After this offering, includes 357,500 shares of our common stock and 100,000 shares of our common stock issuable upon exercise of stock options.
- (20) After this offering, includes 6,936 shares of our common stock and a warrant for 1,700 shares of our common stock.
- (21) Represents a warrant for 449,935 shares of our common stock before this offering. The number of shares of our common stock underlying the warrant is reduced by 98,590 shares as a result of our prepayment of the senior subordinated notes with the net proceeds of this offering.
- (22) Mr. Binder is a principal of Allied Capital Corporation and Allied Investment Corporation. Mr. Binder disclaims beneficial ownership of the warrants and underlying shares held by Allied Capital Corporation and Allied Investment Corporation. Allied entities' addresses are 1919 Pennsylvania Avenue, N.W., Washington, DC 20006.
- (23) Represents a warrant for 146,938 shares of our common stock.
- (24) Grotech Capital Group is the general partner of Grotech III Pennsylvania Fund, Grotech III Companion Fund and Grotech Partners III. Dennis J. Shaughnessy, one of our directors, is a Managing Director of Grotech Capital Group. Grotech Capital Group maintains beneficial ownership over each Fund's shares. Mr. Shaughnessy disclaims beneficial ownership of all shares of our common stock and shares issuable upon exercise of warrants held by Grotech III Pennsylvania Fund, Grotech III Companion Fund and Grotech Partners III.
- (25) Grotech entities' addresses are 9690 Deereco Road, Timonium, Maryland 21093.
- (26) Includes 381,322 shares of our common stock and a warrant for 8,399 shares

of our common stock.

- (27) Includes 45,438 shares of our common stock and a warrant for 1,001 shares of our common stock.
- (28) After this offering, represents 55,600 shares of our common stock issuable upon exercise of stock options granted to Mr. Shaughnessy, one of our directors. Pursuant to an arrangement between Mr. Shaughnessy and Grotech Capital Group, Grotech Capital Group has the sole right to exercise the options and to vote or invest the common stock issuable thereunder.
- (29) Before this offering, includes 27,240 shares of our common stock and a warrant for 600 shares of our common stock.
- (30) Investment Counselors of Maryland's address is 803 Cathedral Street, Baltimore, Maryland 21401. Information is based on an amended Schedule 13G filed with the SEC on February 9, 2000.
- (31) Represents a warrant for 111,734 shares of our common stock before this offering. The number of shares of our common stock underlying the warrant is reduced by 32,863 shares as a result of our prepayment of the senior subordinated notes with the net proceeds of this offering.
- (32) Represents a warrant for 111,734 shares of our common stock before this offering. The number of shares of our common stock underlying the warrant is reduced by 32,863 shares as a result of our prepayment of the senior subordinated notes with the net proceeds of this offering.
- (33) Assumes no exercise of the underwriters' over-allotment option.

UNDERWRITING

We, the selling stockholders and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares of common stock indicated in the following table.

Underwriters	Number of Shares
ING Barings LLC.....	
Janney Montgomery Scott LLC.....	
Total.....	4,450,000 =====

The underwriting agreement provides that the obligations of the underwriters to purchase the shares of common stock are subject to certain conditions. The underwriters are committed to purchase all of the shares of common stock offered by us and the selling stockholders if they purchase any of the shares of common stock.

Shares sold by the underwriters to the public will initially be offered at the initial price to public set forth on the cover of this Prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ per share from the initial price to public. Any such securities dealers may resell any shares purchased from the underwriters to certain other brokers or dealers at a discount of up to \$ per share from the initial price to public. If all the shares are not sold at the initial price to public, the representatives may change the offering price and the other selling terms.

We and the selling stockholders have granted to the underwriters an option to purchase up to an aggregate of 382,526 and 284,974 additional shares of common stock, respectively, at the public offering price less the aggregate underwriting discounts and commissions shown on the cover page of this Prospectus, exercisable solely to cover over-allotments, if any. Such option may be exercised at any time until 30 days after the date of this Prospectus. To the extent the option is exercised, the underwriters will be committed, subject to certain conditions, to purchase a number of additional shares of common stock proportionate to such underwriter's initial commitment as indicated in the above table, and we will be obligated, pursuant to such over-allotment option, to sell such shares of common stock to the underwriters.

The following table shows the underwriting fees to be paid to the underwriters by the selling stockholders and by us in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of common stock.

	No Exercise	Full Exercise
	-----	-----
FTI:		
Per share.....	\$	\$
Total.....	\$	\$
Selling stockholders:		
Per share.....	\$	\$
Total.....	\$	\$

All of our senior executive officers, directors and the selling stockholders have agreed with the underwriters that, subject to certain exceptions, during the period beginning from the date of this Prospectus and continuing to and including the date 90 days after the date of this Prospectus, they will not offer, sell, contract to sell or otherwise dispose of any of our common stock or other securities (other than pursuant to employee plans existing, or on the conversion or exchange of convertible or exchangeable securities outstanding, on the date of this Prospectus) which are substantially similar to the common stock, or which are convertible or exchangeable into common stock, without the prior written consent of ING Barings.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute, under certain circumstances, to payments that the underwriters may be required to make in respect thereof.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale, by the underwriters, of a greater number of shares than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the common stock while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on the American Stock Exchange, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor any of the underwriters makes any representation that the underwriters will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

The underwriters have informed us that they do not intend to confirm sales of common stock offered hereby to any accounts over which they exercise discretionary authority.

ReliaStar Financial Corp. is an affiliate of ING Barings and is selling 78,871 shares in this offering. In addition, as of April 30, 2000, ReliaStar holds about \$5.1 million of our senior subordinated notes, which will be repaid with the net proceeds of this offering. As a result, this offering is being made in compliance with Rule 2710(c)(8) of the National Association of Securities Dealers, Inc. and the bona fide independent market provisions of that rule. Further, ING (U.S.) Capital, LLC, also an affiliate of ING Barings, is a member of the syndicate of lenders under our senior credit facility. None of the proceeds of this offering will be used to pay the senior credit facility.

Janney has periodically performed investment banking and financial advisory services for us, including providing an opinion regarding the fairness, from a financial point of view, of the consideration we paid for P&M. We paid Janney a fee of \$100,000 for its services and reimbursed Janney for its reasonable out-of-pocket expenses. We also agreed to indemnify Janney and certain of its related persons against certain liabilities arising out of the P&M acquisition engagement.

LEGAL MATTERS

The validity of our common stock offered by this Prospectus will be passed upon for us by Piper Marbury Rudnick & Wolfe LLP, Baltimore, Maryland. Piper Marbury Rudnick & Wolfe LLP provides legal services to us on an ongoing basis. Certain legal matters will be passed upon for the underwriters by Duane, Morris & Heckscher LLP, Harrisburg, Pennsylvania.

EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements and schedules at December 31, 1998 and 1999, and for each of the three years in the period ended December 31,

1999, as set forth in their report. Ernst & Young LLP have also audited the financial statements of Policano & Manzo, L.L.C. at December 31, 1998 and 1999, and for each of the three years in the period ended December 31, 1999 as set forth in their report. We have included our consolidated financial statements and schedule, the financial statements of Policano & Manzo, L.L.C., and the information under the caption "Selected Financial Data" for each of the five years ended December 31, 1999, in this Prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information that we file with the SEC at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from commercial document retrieval services and at the Internet site maintained by the SEC at "<http://www.sec.gov>." Reports, proxy statements and other information filed by us should also be available for inspection at the offices of the American Stock Exchange, 86 Trinity Place, New York, New York 10006.

We filed a Registration Statement on Form S-2 to register with the SEC the shares of our common stock to be issued and sold in this offering. This Prospectus is a part of that Registration Statement. As allowed by SEC rules, this Prospectus does not contain all of the information you can find in the Registration Statement or the exhibits to that Registration Statement. You should rely only on the information contained or incorporated by reference in this Prospectus.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" information into this Prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered part of this Prospectus, except for any information superseded by information contained directly in this Prospectus or in later filed documents incorporated by reference in this Prospectus. The following documents and information that we have previously filed with the SEC are incorporated by reference in this Prospectus. These documents contain important information about us and our finances and should be reviewed carefully:

- . Annual Report on Form 10-K for the year ended December 31, 1999;
- . Quarterly Reports on Form 10-Q for the quarters ended March 31, 2000 and June 30, 2000;
- . Current Report on Form 8-K filed on February 15, 2000 and as amended on April 6, 2000 to add financial statements of Policano & Manzo and pro forma financial information; and
- . The description of our common stock which is contained in filings we have made under the Securities Exchange Act of 1934, including all amendments or reports we have filed for the purpose of updating this description.

We file periodic reports with the SEC, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements. Any document filed by us with the SEC and incorporated by reference (excluding exhibits, unless specifically incorporated in this Prospectus) is available without charge upon written or oral request to Theodore I. Pincus, Secretary, FTI Consulting, Inc. Telephone requests may be directed to Mr. Pincus at (410) 224-8770.

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REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
FTI Consulting, Inc.

We have audited the accompanying consolidated balance sheets of FTI Consulting, Inc. and subsidiaries as of December 31, 1998 and 1999, and the related consolidated statements of income, stockholders' 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 and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of FTI Consulting, Inc. and subsidiaries as of December 31, 1998 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Baltimore, Maryland
February 11, 2000

FTI CONSULTING, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31,		June 30,
	----- 1998	----- 1999	----- 2000
			----- (unaudited)
	(dollars in thousands)		
Assets			
Current assets:			
Cash and cash equivalents.....	\$ 3,223	\$ 5,046	\$ 2,992
Accounts receivable, less allowance of \$1,305 in 1998, \$1,065 in 1999 and \$980 in 2000.....	13,139	14,458	25,020
Unbilled receivables, less allowance of \$1,117 in 1998, \$1,160 in 1999 and \$867 in 2000.....	7,803	9,222	15,168
Income taxes recoverable.....	794	64	446
Deferred income taxes.....	--	641	641
Prepaid expenses and other current assets.....	1,262	1,461	1,875
	-----	-----	-----
Total current assets.....	26,221	30,892	46,142
Property and equipment:			
Buildings.....	411	--	--
Furniture, equipment and software.....	14,752	17,205	18,762
Leasehold improvements.....	1,891	1,955	2,293
	-----	-----	-----
	17,054	19,160	21,055
Accumulated depreciation and amortization.....	(8,767)	(10,781)	(12,165)
	-----	-----	-----
	8,287	8,379	8,890
Goodwill, net of accumulated amortization of \$1,160 in 1998, \$3,473 in 1999 and \$5,723 in 2000.....			
	45,164	43,658	93,702
Other assets.....	75	1,363	3,921
	-----	-----	-----
Total assets.....	\$79,747	\$84,292	\$152,655
	=====	=====	=====
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable and accrued expenses.....	\$ 2,924	\$ 3,240	\$ 2,550
Accrued compensation expense.....	2,765	5,373	7,816
Deferred income taxes.....	--	471	471
Current portion of long-term debt.....	10,650	1,718	4,750
Advances from clients.....	498	435	6,902
Other current liabilities.....	313	422	984
	-----	-----	-----
Total current liabilities.....	17,150	11,659	23,473
Long-term debt, less current portion.....	35,630	41,009	82,277
Other long-term liabilities.....	269	411	372
Deferred income taxes.....	1,104	961	961
Commitments and contingent liabilities.....	--	--	--
Stockholders' equity:			
Preferred stock, \$0.01 par value; 4,000,000 shares authorized in 1998, 1999 and 2000, none outstanding.....	--	--	--
Common stock, \$0.01 par value; 16,000,000 shares authorized; 4,781,895, 4,913,905 and 6,465,968 shares issued and outstanding in 1998, 1999 and 2000, respectively.....	48	49	65
Additional paid-in capital.....	16,531	18,197	30,543
Retained earnings.....	9,015	12,006	14,964
	-----	-----	-----
Total stockholders' equity.....	25,594	30,252	45,572
	-----	-----	-----
Total liabilities and stockholders' equity.....	\$79,747	\$84,292	\$152,655
	=====	=====	=====

See accompanying notes.

FTI CONSULTING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Year ended December 31,			Six months ended June 30,	
	1997	1998	1999	1999	2000
	(dollars in thousands, except per share data)				
Revenues.....	\$44,175	\$58,615	\$84,607	\$41,273	\$65,599
Direct cost of revenues.....	23,564	31,402	44,149	21,350	32,811
Selling, general and administrative expenses.....	15,160	20,532	28,829	14,445	18,211
Amortization of goodwill.....	81	996	2,313	1,139	2,249
Total costs and expenses.....	38,805	52,930	75,291	36,934	53,271
Income from operations.....	5,370	5,685	9,316	4,339	12,328
Other income (expense):					
Interest and other income.....	343	319	136	142	92
Interest expense.....	(170)	(1,482)	(4,150)	(1,962)	(5,586)
	173	(1,163)	(4,014)	(1,820)	(5,494)
Income before income taxes and extraordinary item.....	5,543	4,522	5,302	2,519	6,834
Income taxes.....	2,250	1,954	2,311	1,189	3,007
Income before extraordinary item.....	3,293	2,568	2,991	1,330	3,827
Extraordinary loss on early extinguishment of debt, net of income taxes of \$660.....	--	--	--	--	869
Net income.....	\$ 3,293	\$ 2,568	\$ 2,991	\$ 1,330	\$ 2,958
Income before extraordinary item per common share, basic.....	\$ 0.73	\$ 0.54	\$ 0.61	\$ 0.28	\$ 0.62
Earnings per common share, basic.....	\$ 0.73	\$ 0.54	\$ 0.61	\$ 0.28	\$ 0.48
Income before extraordinary item per common share, diluted.....	\$ 0.70	\$ 0.51	\$ 0.59	\$ 0.27	\$ 0.55
Earnings per common share, diluted.....	\$ 0.70	\$ 0.51	\$ 0.59	\$ 0.27	\$ 0.43

See accompanying notes.

FTI CONSULTING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
	-----	-----	-----	-----
	(dollars in thousands)			
Balance at January 1, 1997.....	\$45	\$14,429	\$ 3,154	\$17,628
Exercise of options to purchase 34,000 shares of common stock.....	1	97	--	98
Net income for 1997.....	--	--	3,293	3,293
	---	-----	-----	-----
Balance at December 31, 1997.....	46	14,526	6,447	21,019
Exercise of options to purchase 217,900 shares of common stock.....	2	2,005	--	2,007
Net income for 1998.....	--	--	2,568	2,568
	---	-----	-----	-----
Balance at December 31, 1998.....	48	16,531	9,015	25,594
Issuance of 552,539 warrants to purchase common stock.....	--	1,291	--	1,291
Issuance of 132,010 shares of common stock under Employee Stock Purchase Plan.....	1	375	--	376
Net income for 1999.....	--	--	2,991	2,991
	---	-----	-----	-----
Balance at December 31, 1999.....	49	18,197	12,006	30,252
Issuance of warrants to purchase 670,404 shares of common stock in connection with debt refinancing.....	--	3,714	--	3,714
Retirement of 130,835 warrants to purchase shares of common stock in connection with early retirement of debt.....	--	(277)	--	(277)
Issuance of 604,504 shares of common stock in exchange for debt to sellers of acquired businesses.....	6	2,677	--	2,683
Issuance of 815,000 shares of common stock for the acquisition of Policano & Manzo, L.L.C.....	8	5,493	--	5,501
Issuance of 52,892 shares of common stock under Employee Stock Purchase Plan.....	1	229	--	230
Issuance of 20,000 share of restricted common stock...	--	159	--	159
Exercise of options and warrants to purchase 59,997 shares of common stock.....	1	351	--	352
Net income for six months ended June 30, 2000.....	--	--	2,958	2,958
	---	-----	-----	-----
Balance at June 30, 2000 (unaudited).....	\$65	\$30,543	\$14,964	\$45,572
	===	=====	=====	=====

See accompanying notes.

FTI CONSULTING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Six months ended June 30,	
	1997	1998	1999	1999	2000
	(unaudited)				
	(dollars in thousands)				
Operating activities					
Net income.....	\$ 3,293	\$ 2,568	\$ 2,991	\$ 1,330	\$ 2,958
Adjustments to reconcile net income to net cash provided by (used in) operating activities:.....					
Extraordinary loss on early extinguishment of debt, before income taxes.....	--	--	--	--	1,529
Depreciation and other amortization.....	1,434	1,789	2,621	1,029	1,280
Amortization of goodwill.....	307	1,192	2,313	1,412	2,249
Provision for doubtful accounts.....	526	473	(197)	567	(378)
Deferred income taxes.....	(227)	(626)	(313)	(132)	--
Loss (gain) on disposal of assets.....	--	--	26	10	17
Non-cash interest expense....	--	--	--	--	1,116
Other.....	--	208	--	--	--
Changes in operating assets and liabilities:					
Accounts receivable.....	(3,284)	1,207	(1,079)	332	(5,281)
Unbilled receivables.....	(788)	51	(1,462)	(2,424)	(5,267)
Income taxes recoverable/payable.....	408	(694)	730	610	(383)
Prepaid expenses and other current assets.....	170	(270)	(199)	(429)	(408)
Accounts payable and accrued expenses.....	826	(83)	316	(853)	(1,494)
Accrued compensation expense.....	1,017	(205)	2,608	1,282	1,887
Advances from clients.....	(67)	(21)	(63)	(9)	4,225
Other current liabilities....	33	(296)	109	456	992
Net cash provided by operating activities.....	3,648	5,293	8,401	3,181	3,042
Investing activities					
Purchase of property and equipment.....	(2,800)	(3,327)	(3,093)	(1,316)	(1,699)
Proceeds from sale of property and equipment.....	--	130	592	98	47
Contingent payments to former shareholders of subsidiaries.....	--	(440)	(807)	(451)	(165)
Acquisition of P&M, including acquisition costs.....	--	--	--	--	(49,404)
Acquisition of KK&A, including acquisition costs.....	--	(6,242)	--	--	--
Acquisition of KCI, including acquisition costs.....	--	(10,237)	--	(56)	--
Acquisition of SEA, including acquisition costs.....	--	(9,961)	--	--	--
Acquisition of Bodaken, including acquisition costs..	(1,875)	--	--	--	--
Acquisition of LWG, including acquisition costs.....	(1,956)	--	--	--	--
Change in other assets.....	480	--	(1,288)	1	(232)
Net cash used in investing activities.....	(6,151)	(30,077)	(4,596)	(1,724)	(51,453)
Financing activities					
Issuance of common stock and exercise of stock options....	98	1,610	376	136	741
Borrowings under long-term debt arrangements.....	--	26,000	33,000	13,000	90,548
Retirement of detachable stock warrants.....	--	--	--	--	(277)
Repayments of long-term debt..	(842)	(1,959)	(35,500)	(13,213)	(40,820)
Payment of financing fees....	--	--	--	(900)	(3,782)
Changes in other long-term					

liabilities.....	(191)	(100)	142	(68)	(53)
	-----	-----	-----	-----	-----
Net cash provided by (used in) financing activities.....	(935)	25,551	(1,982)	(1,045)	46,357
	-----	-----	-----	-----	-----
Net increase (decrease) in cash and cash equivalents....	(3,438)	767	1,823	412	(2,054)
Cash and cash equivalents at beginning of period.....	5,894	2,456	3,223	3,223	5,046
	-----	-----	-----	-----	-----
Cash and cash equivalents at end of period.....	\$ 2,456	\$ 3,223	\$ 5,046	\$ 3,635	\$ 2,992
	=====	=====	=====	=====	=====

See accompanying notes.

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Information as of June 30, 2000 and for each of the six month periods ended June 30, 1999 and 2000 is unaudited)

1. Description of Business and Significant Accounting Policies

Basis of Presentation of Financial Statements

Description of Business

FTI Consulting, Inc. and subsidiaries (the "Company" or "FTI") is a multi-disciplined consulting firm with leading practices in the areas of financial restructuring, litigation support and engineering/scientific investigation. The Company provides services to major corporations, law firms, banks and insurance companies. These services include visual communications and trial consulting, engineering and scientific services, expert financial services including turnaround and bankruptcy consulting, assessment and expert testimony regarding intellectual property rights and claims management outsourcing services, from assessment to restoration. The Company has nearly 500 employees in over 30 locations throughout the United States.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated.

Unaudited Interim Financial Information

The unaudited interim financial information as of June 30, 2000 and for the six months ended June 30, 1999 and 2000 has been prepared in accordance with generally accepted accounting principles for interim financial information and with instructions to Article 10 of Regulation S-X. In the opinion of management, such information contains all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation of such period. The operating results for any interim period are not necessarily indicative of results for any future periods.

1. Description of Business and Significant Accounting Policies (continued)

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 consolidated 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 significant past-due receivables and analyzing historical bad debt trends. Actual collection experience has not varied significantly from estimates, due primarily to credit policies, collection experience, and a lack of concentrations of accounts receivable. Accounts receivable balances are not collateralized.

Cash Equivalents

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

Property and Equipment

Property and equipment is stated at cost and depreciated using the straight-line method. Furniture and equipment is depreciated over estimated useful lives ranging from five to seven years, and leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the lease term.

On January 1, 1999, the Company adopted AICPA Statement of Position 98-1 ("SOP 98-1"), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". SOP 98-1 requires the capitalization of direct costs incurred in connection with developing or obtaining software for internal use, including external direct costs of materials and services and payroll and payroll-related costs for employees who are directly associated with and devote time to an internal use software development project. During 1999, the Company capitalized \$1.3 million of costs related to the development and implementation of internal use software.

Intangible Assets

Goodwill consists of the cost in excess of fair value of the net assets of entities acquired in purchase transactions and is amortized over the expected periods of benefit, which range from 15 to 25 years. On a periodic basis, the Company evaluates goodwill for impairment. In completing this evaluation, the Company compares its best estimates of undiscounted future cash flows with the carrying value of goodwill.

Revenue Recognition

The Company derives most of its revenues from professional service activities. The vast majority of these activities are provided under "time-and-materials" billing arrangements, and revenues, consisting of billed fees and pass-through 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 in the accompanying consolidated balance sheets.

Direct Cost of Revenues

Direct cost of revenues consists primarily of billable employee compensation and related payroll benefits, the cost of consultants assigned to revenue-generating activities and direct expenses billable to clients. Direct cost of revenues does not include an allocation of overhead costs.

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

1. Description of Business and Significant Accounting Policies (continued)

Stock Options Granted to Employees

The Company records compensation expense for all stock-based compensation plans using the intrinsic value method prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25"). Under APB No. 25, if the exercise price of the Company's employee stock-based awards equals or exceeds the estimated fair value of the underlying stock on the date of grant, no compensation expense is generally recognized. Financial Accounting Standards Board Statement No. 123, "Accounting for Stock-Based Compensation" ("Statement 123") encourages companies to recognize expense for stock-based awards based on their estimated value on the date of grant. Statement 123 requires the disclosure of pro forma income and earnings per share data in the notes to the financial statements if the fair value method is not adopted. The Company has supplementally disclosed in Note 7 the required pro forma information as if the fair value method had been adopted.

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 will be in effect when the differences are expected to reverse.

2. Earnings Per Share

The following table summarizes the computations of basic and diluted earnings per share:

	Year ended December 31,			Six months ended June 30,	
	1997	1998	1999	1999	2000
	(in thousands, except per share data)				
Numerator used in basic and diluted earnings per common share					
Income before extraordinary item.....	\$3,293	\$2,568	\$2,991	\$1,330	\$3,827
Extraordinary item, net of taxes.....	--	--	--	--	869
Net income.....	=====	=====	=====	=====	=====
Denominator					
Denominator for basic earnings per common share--weighted average shares..	4,529	4,725	4,872	4,829	6,139
Effect of dilutive securities:					
Warrants.....	--	--	115	44	480
Employee stock options.....	169	352	41	22	336
	-----	-----	-----	-----	-----
	169	352	156	66	816
	-----	-----	-----	-----	-----
Denominator for diluted earnings per common share--weighted average shares and assumed conversions.....	4,698	5,077	5,028	4,895	6,955
	=====	=====	=====	=====	=====
Income before extraordinary item per common share, basic.....	\$ 0.73	\$ 0.54	\$ 0.61	\$ 0.28	\$ 0.62
Extraordinary loss per common share, basic.....	--	--	--	--	(0.14)
	-----	-----	-----	-----	-----
Earnings per common share, basic.....	=====	=====	=====	=====	=====
	\$ 0.73	\$ 0.54	\$ 0.61	\$ 0.28	\$ 0.48
	-----	-----	-----	-----	-----
Income before extraordinary item per common share, diluted.....	\$ 0.70	\$ 0.51	\$ 0.59	\$ 0.27	\$ 0.55
Extraordinary loss per common share, diluted.....	--	--	--	--	(0.12)
	-----	-----	-----	-----	-----
Earnings per common share, diluted.....	=====	=====	=====	=====	=====
	\$ 0.70	\$ 0.51	\$ 0.59	\$ 0.27	\$ 0.43

3. Supplemental Disclosure of Cash Flow Information

In 1997, the Company purchased two entities for total consideration of \$5.3 million. In connection with these acquisitions, assets with a fair market value of \$7.3 million were acquired and liabilities of approximately \$2.0 million were assumed. In 1998, the Company purchased three entities for total consideration of \$45.6 million. In connection with these acquisitions, assets with a fair market value of \$50.4 million were acquired and liabilities of approximately \$4.8 million were assumed. In February 2000, the Company purchased Policano & Manzo, L.L.C. for total consideration of \$54.9 million. In connection with this acquisition, assets with a fair market value of \$58.0 million were acquired and liabilities of approximately \$3.1 million were assumed.

The Company paid interest of \$117,000, \$1.0 million and \$4.1 million and income taxes of \$1.5 million, \$2.9 million and \$2.0 million during fiscal years 1997, 1998 and 1999, respectively. The Company paid interest of \$1.8 million and \$3.9 million and income taxes of \$1.0 million and \$3.0 million for the six months ended June 30, 1999 and 2000, respectively.

4. Acquisitions

L.W.G., Inc.

Effective September 1, 1997, the Company acquired all of the outstanding common stock of L.W.G., Inc. and its subsidiary (collectively, "LWG"). LWG is based in Northbrook, Illinois, and provides claims management consulting and restoration services to the insurance industry. The acquisition was accounted for using the purchase method of accounting. The purchase price consisted of an initial cash payment of \$1.8 million, plus additional consideration equal to 50% of the pre-tax profits of LWG for each quarterly period from October 1, 1997 through September 30, 2001. Upon the resolution of the amount of any contingent payments, the Company records any additional consideration payable as additional goodwill and amortizes that amount over the remaining amortization period. At September 1, 1997, goodwill of approximately \$1.5 million was recorded and is being amortized over a period of 25 years. During 1998 and 1999, additional contingent consideration of \$440,000 and \$398,000, respectively, was paid and recorded as goodwill. The results of operations of LWG are included in the accompanying consolidated statements of income commencing September 1, 1997.

Bodaken & Associates

Effective September 1, 1997, the Company acquired substantially all of the assets of Bodaken & Associates, a trial research and consulting firm serving law firms and corporations. The acquisition was accounted for using the purchase method of accounting. The purchase price of \$3.5 million included an initial cash payment of \$1.7 million with the remainder of \$1.8 million evidenced by a note payable bearing interest at 7%. Approximately \$3.5 million in goodwill was recorded and is being amortized over 20 years. The results of operations of Bodaken & Associates are included in the accompanying consolidated statements of income commencing September 1, 1997.

Kahn Consulting, Inc.

On September 17, 1998, the Company acquired all of the outstanding common stock of Kahn Consulting, Inc., and KCI Management Corp. (collectively, "KCI"). KCI, based in New York, New York, provides strategic advisory, turnaround, bankruptcy and trustee services, as well as litigation consulting services. The purchase price of \$20.0 million included an initial payment of \$10.0 million in cash, with the remainder evidenced by notes payable bearing interest at 7.5%. The acquisition was accounted for using the purchase method of accounting. At the acquisition date, approximately \$17.4 million of goodwill was recorded which is being amortized over its estimated useful life of 20 years. The results of operations of KCI are included in the accompanying consolidated statements of income commencing September 17, 1998.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

4. Acquisitions (continued)

S.E.A., Inc.

Effective September 1, 1998, the Company acquired all of the outstanding common stock of S.E.A., Inc. ("SEA"). SEA, based in Columbus, Ohio, provides investigation, research, analysis and quality control services in areas such as distress, product failure, fire and explosion, and vehicle and workplace accidents. The purchase price of \$15.6 million included an initial payment of \$10.0 million in cash, with the remainder evidenced by notes payable bearing interest at 7.5%. The acquisition was accounted for using the purchase method of accounting. At the acquisition date, approximately \$13.6 million of goodwill was recorded which is being amortized over its estimated useful life of 20 years. The results of operations of SEA are included in the accompanying consolidated statements of income commencing September 1, 1998.

Klick, Kent & Allen, Inc.

On June 1, 1998, the Company acquired all of the outstanding common stock of Klick, Kent & Allen, Inc. ("KK&A"). KK&A, based in Alexandria, Virginia, provides strategic and economic consulting to various regulated businesses, advising on such matters as industry deregulation, mergers and acquisitions, rate and cost structures, economic and financial modeling and litigation risk analysis. The initial purchase price of approximately \$10.0 million included \$6.0 million in cash and \$4.0 million evidenced by notes payable bearing interest at 7.5%. Contingent consideration equal to 50% of the excess over \$1.0 million of pre-tax earnings of KK&A for 2000 and 2001 will be payable. The acquisition was accounted for using the purchase method of accounting. At the acquisition date, approximately \$9.7 million of goodwill was recorded which is being amortized over its estimated useful life of 20 years. The results of operations of KK&A are included in the accompanying consolidated statements of income commencing June 1, 1998. During 1999, contingent consideration of \$409,000 was earned and recorded as goodwill.

Policano & Manzo, L.L.C.

Effective on January 31, 2000, the Company acquired the membership interests of Policano & Manzo, L.L.C. ("P&M"). P&M, based in Saddle Brook, New Jersey, is a leader in providing bankruptcy and turnaround consulting services to large corporations, money center banks and secured lenders throughout the U.S. The purchase price totaled approximately \$54.9 million, consisting of \$48.3 million in cash and 815,000 shares of common stock valued at \$5.5 million and acquisition related expenses of \$1.1 million. The acquisition was accounted for using the purchase method of accounting and approximately \$52.2 million of goodwill was recorded and is being amortized over its estimated useful life of 20 years. The results of operations of P&M are included in the accompanying consolidated statements of income commencing January 31, 2000.

Pro Forma Information for Acquisition of P&M

The following table summarizes the unaudited pro forma consolidated results of operations for the year ended December 31, 1999 and the six months ended June 30, 2000 assuming that the acquisition of P&M had occurred on January 1, 1999. The pro forma information gives effect to certain adjustments, including increased interest expense on acquisition debt and amortization of recorded goodwill.

	Year ended December 31, 1999	Six months ended June 30, 2000
	-----	-----
	(in thousands)	
Revenues.....	\$106,119	\$68,037
Income before extraordinary item.....	4,549	4,166
Net income.....	4,549	3,297
Income before extraordinary item per common share, diluted.....	\$ 0.71	\$ 0.57
Net income per common share--diluted.....	\$ 0.71	\$ 0.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

4. Acquisitions (continued)

The pro forma consolidated results of operations are not necessarily indicative of the results that would have occurred had these transactions been consummated as of the beginning of 1999 or of future operations of the Company.

5. Debt

In connection with the acquisition of P&M, the Company entered into a \$68.5 million senior credit facility to provide the cash needed to consummate the acquisition, partially refinance existing long-term debt arrangements, and to provide working capital for expansion. The senior credit facility consists of (i) a \$61.0 million amortizing term loan maturing through January 31, 2006, that initially bears interest at LIBOR plus specified margins ranging from 3.25% to 3.75% and (ii) a \$7.5 million revolving credit facility, initially bearing interest at prime plus 1.75%. The interest rates on these borrowings will decline if the Company's leverage ratios improve.

The Company also issued \$30.0 million of subordinated notes to lenders that mature on January 31, 2007, and bear interest at 17% per annum, payable semi-annually. The interest rate of 17% consists of a cash component equal to 12% per annum of principal and a component payable in additional notes equal to 5% per annum of principal. These lenders also received warrants to purchase 670,404 shares of the Company's common stock at the exercise price of \$4.44 per share that expire on January 31, 2010.

The proceeds from these borrowings of \$91.0 million, in tandem with \$2.0 million of available cash, were used to finance the \$48.3 million cash purchase price of P&M, refinance \$41.2 million of the \$43.9 million of existing long-term debt and fund acquisition and finance related expenses of \$3.5 million. The remaining \$2.7 million of long-term debt was exchanged for 604,504 shares of common stock. An extraordinary loss of \$869,000, net of income taxes, was incurred related to unamortized debt discount and deferred financing costs attributable to the retired debt.

Long-term debt consists of the following:

	December 31,		June
	-----		30,
	1998	1999	2000
	-----		-----
	(in thousands)		
Amounts due under a \$61.0 million amortizing term loan. This facility is secured by substantially all assets of the Company.....	\$ --	\$ --	\$59,938
Amounts due under \$30.0 million of subordinated notes (net of discount of \$3.5 million plus payment-in-kind interest of \$600,000).....	--	--	27,089
Amounts due under a \$27.0 million long-term credit facility (net of discount of \$36,000 in 1999), bearing interest at LIBOR plus variable percentages.....	26,000	19,964	--
Subordinated debentures (net of discount of \$848,000 in 1999) bearing interest at 9.25% per annum.....	--	12,152	--
Notes payable to former shareholders of acquired businesses (net of discount of \$169,000 in 1999)..	20,280	10,611	--
	-----	-----	-----
Total debt.....	46,280	42,727	87,027
Less current portion.....	(10,650)	(1,718)	(4,750)
	-----	-----	-----
Total long-term debt.....	\$ 35,630	\$41,009	\$82,277
	=====	=====	=====

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

5. Debt (continued)

The aggregate maturities of long-term debt at June 30, 2000, excluding debt discount, are as follows (in thousands):

July 1 through December 31, 2000.....	\$ 2,125
Year ended December 31, 2001.....	5,750
Year ended December 31, 2002.....	7,750
Year ended December 31, 2003.....	11,250
Year ended December 31, 2004.....	14,500
Year ended December 31, 2005.....	14,875
Thereafter.....	33,687

Total.....	\$89,937
	=====

The terms of the subordinated debentures prohibit the payment of dividends without the consent of the lender.

The fair values of long-term debt are estimated to approximate their carrying values.

In March 2000, the Company entered into interest rate swap and cap transactions on \$41.0 million of outstanding amortizing term loans, in accordance with provisions of the credit facility. The \$20.5 million of swap transactions resulted in exchanging floating LIBOR rates for fixed rates. The \$20.5 million of cap transactions limited the Company's exposure to substantial increases in the LIBOR rate by establishing the maximum rate over the life of the cap to be 7.75%. These interest rate hedge transactions expire in three-years. The premium associated with the cap transactions have been incorporated into swap transactions and resulted in fixed rates of 7.41% on \$10.0 million of debt and 7.43% on \$10.5 million of debt. The mark-to-market valuation of these hedges at June 30, 2000 was approximately \$50,000.

6. Warrants

In connection with the issuance of long-term debt, the Company issued warrants that allow for the purchase of 1,242,943 shares of common stock. In February 2000, in connection with the debt refinancing described in Note 5, the Company repurchased warrants to purchase 130,835 shares of common stock. At June 30, 2000, warrants to purchase 1,102,108 shares of common stock remain outstanding, with the following terms:

Year Issued	Number of Shares	Exercise Price Per Share	Expiration Date
-----	-----	-----	-----
1996	10,000	\$8.50	May 2001
1999	20,000	\$3.68	February 2009
1999	25,000	\$3.00	March 2006
1999	261,671	\$3.21	March 2010
1999	115,033	\$3.21	March 2004
2000	670,404	\$4.44	January 2010

	1,102,108		
	=====		

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

6. Warrants (continued)

The fair value of the warrants issued in each period was estimated using the Black-Scholes option pricing model, a generally accepted warrant valuation methodology. The following valuation assumptions were used in the calculations of the value of the warrants:

Assumptions	Warrants Issued in 1999	Warrants Issued in 2000
Risk free interest rate.....	5.5%	5.5%
Expected dividend yield.....	0%	0%
Expected stock price volatility.....	0.930	0.647
Expected life.....	4 to 8.8 years	5 years
Aggregate fair value.....	\$1,300	\$ 3,700

The estimated value of the warrants was recorded as additional paid-in capital, and the related debt was recorded net of the resulting discount.

7. Stock Option Plans

Prior to 1997, the Company granted certain options to key employees under the 1992 Stock Option Plan. This plan was terminated in 1997 upon the adoption of the 1997 Stock Option Plan ("the 1997 Plan"). The 1997 Plan, provides for the granting to employees and non-employee directors of non-qualified options to purchase an aggregate of up to 3,000,000 shares of common stock. Options to purchase common stock may be granted at prices not less than 50% of the fair market value of the common stock at the date of grant, for a term of no more than ten years. Vesting provisions for individual awards are at the discretion of the Board of Directors.

The following table summarizes the option activity under the Plan for the three-year period ended December 31, 1999:

	1997	1997 Weighted Average Exercise Price	1998	1998 Weighted Average Exercise Price	1999	Weighted Average Exercise Price
Options outstanding at January 1.....	576,179	\$5.88	1,495,229	\$7.96	1,820,829	\$7.86
Options granted.....	995,850	9.02	565,000	7.73	397,500	4.25
Options exercised.....	(34,000)	2.85	(217,900)	6.83	--	--
Options forfeited.....	(42,800)	8.48	(21,500)	8.92	(200,300)	8.25
Options outstanding at December 31.....	1,495,229	\$7.96	1,820,829	\$7.86	2,018,029	\$7.11
Options exercisable at December 31.....	448,325	\$6.47	674,580	\$7.69	1,197,591	\$7.87

All options granted have an exercise price equal to or greater than the fair value of the Company's common stock on the date of grant. Exercise prices for options outstanding as of December 31, 1999, ranged from \$2.38 to \$19.59 as follows:

Range of Exercise Prices	Options Outstanding	Weighted Average Exercise Prices of Options Outstanding	Weighted Average Remaining Contractual Life of Options Outstanding	Options Exercisable	Weighted Average Exercise Prices of Options Exercisable
\$2.38 - \$7.98.....	1,094,447	\$ 4.99	8.01 years	488,750	\$ 5.43
\$8.50 - \$9.90.....	843,582	\$ 8.97	7.64 years	657,174	\$ 8.97
\$12.38 - \$19.59.....	80,000	\$16.63	8.28 years	51,667	\$16.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

7. Stock Option Plans (continued)

Pro Forma Disclosures Required by Statement 123

For the years ended December 31, 1997, 1998 and 1999, pro forma net income and earnings per share information required by Statement 123 has been determined as if the Company had accounted for its stock options using the fair value method. The fair value of these options was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	Year ended December 31,		
	1997	1998	1999
Risk free interest rate.....	5.5%	5.5%	5.5%
Expected dividend yield.....	0%	0%	0%
Expected option life.....	4 years	4 years	4 years
Expected stock price volatility..	0.420 - 0.901	0.628 - 1.606	0.518 - 1.394
Weighted average fair value of granted options.....	\$2.98	\$4.58	\$3.22

The Black-Scholes option pricing model and other models were developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period.

The following table summarizes pro forma income and earnings per share:

	Year ended December 31,		
	1997	1998	1999
	(in thousands)		
Net income, as reported.....	\$3,293	\$2,568	\$2,991
Pro forma net income.....	\$2,355	\$1,022	\$1,233
Earnings per share, basic, as reported.....	\$ 0.73	\$ 0.54	\$ 0.61
Pro forma earnings per common share, basic.....	\$ 0.52	\$ 0.22	\$ 0.25
Earnings per common share, diluted, as reported.....	\$ 0.70	\$ 0.51	\$ 0.59
Pro forma earnings per common share, diluted.....	\$ 0.50	\$ 0.20	\$ 0.24

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

8. Income Taxes

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

	1998	1999
	-----	-----
	(in thousands)	
Deferred tax assets:		
Allowance for doubtful accounts.....	\$ 404	\$ 428
Accrued vacation.....	82	213
	-----	-----
Total deferred tax assets.....	486	641
Deferred tax liabilities:		
Use of cash basis for income tax purposes by subsidiary...	1,268	699
Goodwill.....	133	344
Capitalized software.....	134	175
Prepaid expenses.....	50	36
Other.....	5	178
	-----	-----
Total deferred tax liabilities.....	1,590	1,432
	-----	-----
Net deferred tax liability.....	\$ (1,104)	\$ (791)
	=====	=====

Income tax expense (benefit) consisted of the following:

	Year ended December 31		
	-----	-----	-----
	1997	1998	1999
	(in thousands)		
Current:			
Federal.....	\$1,983	\$2,038	\$1,937
State.....	494	542	687
	-----	-----	-----
	2,477	2,580	2,624
Deferred (benefit):			
Federal.....	(253)	(525)	(190)
State.....	26	(101)	(123)
	-----	-----	-----
	(227)	(626)	(313)
	-----	-----	-----
	\$2,250	\$1,954	\$2,311
	=====	=====	=====

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

	Year ended December 31,		
	-----	-----	-----
	1997	1998	1999
	(in thousands)		
Expected federal income tax provision at 34%.....	\$1,885	\$1,537	\$1,803
Expenses not deductible for tax purposes.....	70	181	302
State income taxes, net of federal benefit.....	293	239	286
Other.....	2	(3)	(80)
	-----	-----	-----
	\$2,250	\$1,954	\$2,311
	=====	=====	=====

The income tax provisions for interim periods in 1999 and 2000 are based on the estimated effective tax rates applicable for the full years. The Company's

income tax expense of \$3,007 for the six month period ended June 30, 2000 consists of federal and state income taxes. The effective income tax rate in 2000 is expected to be approximately 44%. This rate is higher than the statutory federal income tax rate of 34%, due principally to state and local taxes and the effects of nondeductible goodwill recorded in certain acquisitions.

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

9. Operating Leases

The Company leases office space under noncancelable operating leases that expire in various years through 2008. The leases for certain office space contain provisions whereby the future rental payments may be adjusted for increases in maintenance and insurance above specified amounts. The Company also leases certain furniture and equipment in its operations under operating leases having initial terms of less than one year.

Future minimum payments under noncancelable operating leases with initial terms of one year or more consist of the following at December 31, 1999 (in thousands):

2000.....	\$ 2,743
2001.....	2,354
2002.....	2,110
2003.....	1,581
2004.....	638
Thereafter.....	1,643

Total minimum lease payments.....	\$11,069
	=====

Rental expense consists of the following:

	Year ended December 31,		
	1997	1998	1999

	(in thousands)		
Furniture and equipment.....	\$ 211	\$ 326	\$ 392
Office and storage.....	1,131	1,975	2,859
	-----	-----	-----
	\$1,342	\$2,301	\$3,251
	=====	=====	=====

10. Employee Benefit Plans

The Company maintains qualified defined contribution plans and 401(k) plans which cover substantially all employees. Under the plans, participants are entitled to make both pre-tax and after-tax contributions. The Company matches a certain percentage of participant contributions pursuant to the terms of each plan which are limited to a percent of the participant's eligible compensation. Typically, the percentage match is based on each participant's respective years of service and is at the discretion of the Board of Directors. The Company made contributions of \$153,000, \$233,000 and \$344,000 during 1997, 1998 and 1999, respectively, related to these plans.

The Company also maintains an Employee Stock Purchase Plan which covers substantially all employees. Under the Plan, participants are eligible to purchase shares of the Company's common stock at a price that is equal to 85% of the lesser of the fair market value of the stock on the first trading day of the offering period or the last trading day of the offering period. Offering periods commence the first day of each January and July in any particular year. There are 400,000 shares of the Company's common stock issuable under the Plan, and 132,010 shares have been issued as of December 31, 1999.

11. Segment Reporting

The Company provides litigation and claims management consulting services through three distinct operating segments. The Financial Consulting division offers a range of financial consulting services, such as forensic accounting, bankruptcy and restructuring analysis, expert testimony, damage assessment, cost benefit analysis and business valuations. The Litigation Consulting division provides advice and services in connection with all phases of the litigation process. The Applied Sciences division offers engineering and scientific

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

11. Segment Reporting (continued)

consulting services, accident reconstruction, fire investigation, equipment procurement and expert testimony regarding intellectual property rights.

The Company evaluates performance and allocated resources based on operating income before depreciation and amortization, corporate general and administrative expenses and income taxes. The Company does not allocate assets to its reportable segments as assets generally are not specifically attributable to any particular segment. Accordingly, asset information by reportable segment is not presented. The accounting policies used by the reportable segments are the same as those used by the Company and described in Note 1 to the consolidated financial statements. There are no significant intercompany sales or transfers.

The Company's reportable segments are business units that offer distinct services. The segments are managed separately by division presidents who are most familiar with the segment operations. The following table sets forth information on the Company's reportable segments:

	Year ended December 31, 1997			
	Financial Consulting	Applied Sciences	Litigation Consulting	Total
	(in thousands)			
Revenues.....	\$ 4,207	\$12,000	\$27,968	\$44,175
Operating expenses.....	3,445	9,238	17,671	30,354
Segment profit.....	\$ 762	\$ 2,762	\$10,297	\$13,821

	Year ended December 31, 1998			
	Financial Consulting	Applied Sciences	Litigation Consulting	Total
	(in thousands)			
Revenues.....	\$ 9,264	\$22,844	\$26,507	\$58,615
Operating expenses.....	6,696	18,931	18,971	44,598
Segment profit.....	\$ 2,568	\$ 3,913	\$ 7,536	\$14,017

	Year ended December 31, 1999			
	Financial Consulting	Applied Sciences	Litigation Consulting	Total
	(in thousands)			
Revenues.....	\$19,851	\$35,693	\$29,063	\$84,607
Operating expenses.....	14,489	30,276	20,579	65,344
Segment profit.....	\$ 5,362	\$ 5,417	\$ 8,484	\$19,263

	Six months ended June 30, 1999			
	Financial Consulting	Applied Sciences	Litigation Consulting	Total
	(in thousands)			
Revenues.....	\$ 9,903	\$17,769	\$13,601	\$41,273
Operating expenses.....	7,261	14,891	9,697	31,849
Segment profit.....	\$ 2,642	\$ 2,878	\$ 3,904	\$ 9,424

Six months ended June 30, 2000

	Financial Consulting	Applied Sciences	Litigation Consulting	Total
	(in thousands)			
Revenues.....	\$28,851	\$19,668	\$17,080	\$65,599
Operating expenses.....	16,866	16,063	12,706	45,635
Segment profit.....	\$11,985	\$ 3,605	\$ 4,374	\$19,964
	=====	=====	=====	=====

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

11. Segment Reporting (continued)

A reconciliation of segment profit for all segments to income before income taxes and extraordinary item is as follows:

	Year ended December 31,			Six months ended June 30,	
	1997	1998	1999	1999	2000

	(in thousands)				
Operating profit:					
Total segment profit.....	\$13,821	\$14,017	\$19,263	\$ 9,424	\$19,964
Corporate general and administrative expenses....	(6,710)	(5,351)	(5,251)	(2,645)	(4,107)
Depreciation and amortization.....	(1,741)	(2,981)	(4,696)	(2,440)	(3,529)
Interest (expense) income...	173	(1,163)	(4,014)	(1,820)	(5,494)
	-----	-----	-----	-----	-----
Income before income taxes and extraordinary item.....	\$ 5,543	\$ 4,522	\$ 5,302	\$ 2,519	\$ 6,834
	=====	=====	=====	=====	=====

Substantially all of the revenue and assets of the Company's reportable segments are attributed to or located in the United States. Additionally, the Company does not have a single customer which represents ten percent or more of its consolidated revenues.

12. Quarterly Financial Data (unaudited)

	Quarter ended			
	March 31, 1998	June 30, 1998	September 30, 1998	December 31, 1998

	(in thousands)			
Operating revenues.....	\$14,109	\$11,860	\$13,501	\$19,145
Operating expenses.....	12,241	10,818	12,474	17,397
	-----	-----	-----	-----
Operating income.....	1,868	1,042	1,027	1,748
Non-operating items, net.....	(3)	(82)	(336)	(742)
	-----	-----	-----	-----
Income before income taxes.....	1,865	960	691	1,006
Income taxes.....	759	390	309	496
	-----	-----	-----	-----
Net income.....	\$ 1,106	\$ 570	\$ 382	\$ 510
	=====	=====	=====	=====
Net income per common share:				
Basic.....	\$ 0.24	\$ 0.12	\$ 0.08	\$ 0.11
	=====	=====	=====	=====
Diluted.....	\$ 0.22	\$ 0.11	\$ 0.08	\$ 0.11
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic.....	4,598	4,744	4,774	4,782
	=====	=====	=====	=====
Diluted.....	5,072	5,267	4,878	4,800
	=====	=====	=====	=====

FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

12. Quarterly Financial Data (unaudited) (continued)

	Quarter ended					
	March 31, 1999	June 30, 1999	September 30, 1999	December 31, 1999	March 31, 2000	June 30, 2000
	(in thousands)					
Operating revenues.....	\$20,000	\$21,273	\$20,855	\$22,479	\$31,013	\$34,585
Operating expenses.....	18,188	18,746	18,696	19,661	25,305	27,965
Operating income.....	1,812	2,527	2,159	2,818	5,708	6,620
Non-operating items, net.....	(795)	(1,025)	(989)	(1,205)	(2,352)	(3,142)
Income before income taxes and extraordinary item.....	1,017	1,502	1,170	1,613	3,356	3,478
Income taxes.....	458	731	515	607	1,476	1,530
Income before extraordinary item.....	559	771	655	1,006	1,880	1,948
Extraordinary loss on early extinguishment of debt.....	--	--	--	--	869	--
Net income.....	\$ 559	\$ 771	\$ 655	\$ 1,006	\$ 1,011	\$ 1,948
Income before extraordinary item per common share:						
Basic.....	\$ 0.12	\$ 0.16	\$ 0.13	\$ 0.20	\$ 0.32	\$ 0.30
Diluted.....	\$ 0.12	\$ 0.15	\$ 0.13	\$ 0.19	\$ 0.29	\$ 0.26
Net income per common share:						
Basic.....	\$ 0.12	\$ 0.16	\$ 0.13	\$ 0.20	\$ 0.17	\$ 0.30
Diluted.....	\$ 0.12	\$ 0.15	\$ 0.13	\$ 0.19	\$ 0.16	\$ 0.26
Weighted average shares outstanding:						
Basic.....	4,829	4,829	4,914	4,914	5,854	6,423
Diluted.....	4,841	5,010	5,219	5,172	6,400	7,513

13. Contingencies

The Company is subject to legal actions arising in the ordinary course of its business. In management's opinion, the Company has adequate legal defenses and/or insurance coverage with respect to the eventuality of such actions and does not believe any settlement would materially affect the Company's financial position.

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, 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 auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Policano & Manzo, L.L.C. at December 31, 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 accounting principles generally accepted in the United States.

Ernst & Young LLP

MetroPark, New Jersey
March 10, 2000

POLICANO & MANZO, L.L.C.

BALANCE SHEETS

	December 31,	
	1998	1999
Assets		
Current assets:		
Cash.....	\$ 405,568	\$1,101,480
Accounts receivable.....	4,570,642	4,819,521
Unbilled receivables.....	285,330	370,072
Other current assets.....	--	24,890
Total current assets.....	5,261,540	6,315,963
Furniture and equipment.....	214,932	266,942
Accumulated depreciation.....	(74,588)	(112,662)
Other assets, principally unbilled receivables.....	140,344	154,280
	233,923	218,566
Total assets.....	\$5,635,807	\$6,688,809
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable and accrued expenses.....	\$ 774,174	\$1,026,527
Advances from clients.....	1,827,013	2,137,400
Total current liabilities.....	2,601,187	3,163,927
Commitments and contingencies.....	--	--
Members' equity.....	3,034,620	3,524,882
Total liabilities and members' equity.....	\$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.

STATEMENTS OF MEMBERS' EQUITY

Years Ended December 31, 1997, 1998 and 1999

Balance at January 1, 1997.....	\$ 1,060,167
Net income.....	8,168,651
Member distributions.....	(7,400,000)

Balance at December 31, 1997.....	1,828,818
Net income.....	11,405,802
Member distributions.....	(10,200,000)

Balance at December 31, 1998.....	3,034,620
Net income.....	13,890,262
Member 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			
Member 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.

NOTES TO FINANCIAL STATEMENTS

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 members 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.

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.

NOTES TO FINANCIAL STATEMENTS--(Continued)

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, 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 noncancellable 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 year 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.

FTI CONSULTING, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF INCOME

Effective on January 31, 2000, we acquired the membership interests of Policano & Manzo, L.L.C. ("P&M"). P&M, based in Saddle Brook, New Jersey, is a leader in providing bankruptcy and turnaround consulting services to large corporations, money center banks and secured lenders throughout the U.S. The purchase price totaled approximately \$54.9 million, consisting of \$48.3 million in cash, 815,000 shares of common stock valued at \$5.5 million and acquisition related expenses of \$1.1 million. The acquisition was accounted for using the purchase method of accounting and approximately \$52.2 million of goodwill was recorded and is being amortized over its estimated useful life of twenty years.

The following Unaudited Pro Forma Consolidated Statements of Income are based on our historical consolidated financial statements and the historical financial statements of P&M for the periods presented, adjusted to give effect to the acquisition as if it had occurred as of January 1, 1999. The pro forma adjustments are described in the accompanying notes and are based upon available information and certain assumptions that management believes are reasonable. The Unaudited Pro Forma Consolidated Statements of Income do not purport to represent what our results of operations would actually have been had the acquisition in fact occurred on such date or to project our results of operations for any future date or period. The Unaudited Pro Forma Consolidated Statements of Income should be read in conjunction with our historical consolidated financial statements and the historical financial statements of P&M, included elsewhere in this Prospectus, and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

FTI CONSULTING, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF INCOME (Continued)

For the year ended December 31, 1999

	FTI	P&M	Historical Total	Adjustments	Pro Forma
(in thousands, except per share data)					
Revenues.....	\$84,607	\$21,512	\$106,119		\$106,119
Direct cost of revenues....	44,149	6,898	51,047	\$ 700 (1)	51,747
Selling, general and administrative expenses...	28,829	724	29,553		29,553
Amortization of goodwill...	2,313	--	2,313	2,604 (2)	4,917
Total costs and expenses...	75,291	7,622	82,913	3,304	86,217
Income from operations.....	9,316	13,890	23,206	(3,304)	19,902
Interest expense, net.....	4,014	--	4,014	6,731 (3) 1,169 (4)	11,914
Income before income taxes.....	5,302	13,890	19,192	(11,204)	7,988
Income taxes.....	2,311	--	2,311	1,128 (5)	3,439
Net income.....	\$ 2,991	\$13,890	\$ 16,881	\$(12,332)	\$ 4,549
Weighted average shares outstanding.....	5,028	--	5,028	1,420 (6)	6,448
Earnings per common share, diluted.....	\$ 0.59				\$ 0.71

For the six months ended June 30, 2000

	Six months ended June 30, 2000	One month ended January 31, 2000	Historical Total	Adjustments	Pro Forma
(in thousands, except per share data)					
Revenues.....	\$65,599	\$2,438	\$68,037		\$68,037
Direct cost of revenues.....	32,811	892	33,703	\$ 58 (1)	33,761
Selling, general and administrative expenses.....	18,211	106	18,317		18,317
Amortization of goodwill.....	2,249	--	2,249	217 (2)	2,466
Total costs and expenses.....	53,271	998	54,269	275	54,544
Income from operations..	12,328	1,440	13,768	(275)	13,493
Interest expense, net...	5,494	--	5,494	483 (3) 97 (4)	6,074
Income before income taxes.....	6,834	1,440	8,274	(855)	7,419
Income taxes.....	3,007	--	3,007	246 (5)	3,253
Income before extraordinary item....	\$ 3,827	\$1,440	\$ 5,267	\$(1,101)	\$ 4,166
Weighted average shares outstanding.....	6,955	--	6,955	332 (6)	7,287
Earnings per common share, diluted.....	\$ 0.55				\$ 0.57

See accompanying notes.

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FTI CONSULTING, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED PRO FORMA STATEMENTS OF INCOME

- (1) Adjustment to record additional compensation expense for P&M employees. In connection with the acquisition of P&M, the Company entered into four-year employment contracts with the former members of P&M. The pro forma adjustment assumes that the members had received compensation in 1999 as provided for by these employment contracts. These former members previously received distributions of profits in lieu of compensation.
- (2) Adjustment to reflect the amortization of \$52.2 million of goodwill recorded upon the acquisition of P&M. This goodwill is being amortized over a 20-year period.
- (3) Adjustment to reflect incremental increases in interest expense resulting from the acquisition of P&M. In February 2000, the Company borrowed \$91.0 million to acquire P&M and to refinance \$41.2 million of other debt. The average interest rate associated with the \$91.0 million of borrowings is approximately 12%, as compared to approximately 8.8% associated with the retired debt.
- (4) Adjustment to record the amortization of deferred financing costs and debt discount arising from the issuance of warrants in connection with the acquisition of P&M. The deferred financing costs and debt discount are being amortized over the average 6.5-year term of the related debt.
- (5) Adjustment to record the pro forma income tax expense for (i) the operations of P&M for which no taxes were provided in the historical financial statements because P&M was organized as an limited liability company, and (ii) the estimated tax effects of pro forma adjustments, all at the combined federal and state statutory income tax rate of approximately 42%.
- (6) Adjustment to record the additional shares of common stock issued in connection with the acquisition of P&M and the related February 2000 debt refinancing. The Company issued 815,000 shares of common stock in connection with the acquisition of P&M and 604,504 shares of common stock in exchange for \$2.7 million of outstanding notes.

4,450,000 Shares

[FTI/Consulting Logo]

Common Stock

Prospectus

ING Barings

Janney Montgomery Scott LLC

, 2000

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The Company estimates that expenses in connection with the offering described in this registration statement (other than underwriting and brokerage discounts and commissions) will be as follows:

SEC Registration Fee.....	\$ 12,619
NASD Filing Fee.....	5,280
AMEX Application Fee.....	17,500
Printing and Engraving Fees.....	100,000
Legal Fees and Expenses.....	150,000
Accounting Fees and Expenses.....	150,000
Transfer Agent and Registrar's Fees.....	5,000
Miscellaneous Expenses.....	9,601

Total.....	\$450,000
	=====

All expenses are estimates, other than the filing fees payable to the Securities and Exchange Commission, the NASD and the American Stock Exchange.

Item 15. Indemnification of Directors and Officers.

Section 2-418 of the Maryland General Corporation Law permits indemnification of directors, officers, agents and controlling persons of a corporation under certain conditions and subject to certain limitations. FTI's Charter and Bylaws include provisions requiring that FTI indemnify its directors and officers to the fullest extent permitted by Maryland General Corporation Law, including circumstances in which indemnification is otherwise discretionary.

Item 16. Exhibits.

Exhibit No. -----	Description -----
1.1	Form of Underwriting Agreement
3.1	Amended and Restated Articles of Incorporation*
3.2	By-laws*
3.3	Amendment to Articles of Incorporation**
3.4	Amendment No. 1 to By-laws**
4.1	Specimen Common Stock Certificate***
4.2	Form of Series A Stock Purchase Warrant dated as of February 4, 2000, by and between the Company and each of the lenders named in the Investment and Loan Agreement dated as of February 4, 2000 (schedules and exhibits omitted)****
5.1	Opinion of Piper Marbury Rudnick & Wolfe LLP
10.1	1992 Stock Option Plan, as amended*
10.2	1997 Stock Option Plan, as amended*****
10.3	Employment Agreement dated as of January 1, 1996, between Forensic Technologies International Corporation and Jack B. Dunn, IV*

Exhibit No. -----	Description -----
10.4	Employment Agreement dated as of January 1, 1996, between Forensic Technologies International Corporation and Joseph R. Reynolds, Jr.*
10.5	Employee Stock Purchase Plan+
10.6	Stock Purchase Agreement dated as of June 30, 1998, by and among FTI Consulting, Inc., Klick, Kent & Allen, Inc. and the stockholders named therein++
10.7	Stock Purchase Agreement dated as of September 25, 1998, by and among FTI Consulting, Inc., Glenn R. Baker and Dennis A. Guenther+++
10.8	Stock Purchase Agreement dated as of September 17, 1998, by and among FTI Consulting, Inc., Kahn Consulting, Inc., KCI Management Corp. and the stockholders named therein++++
10.9	LLC Membership Interests Purchase Agreement dated as of January 31, 2000, by and among FTI Consulting, Inc., and Michael Policano and Robert Manzo (schedules and exhibits omitted)++++
10.10	Credit Agreement dated as of February 4, 2000, by and among FTI Consulting, Inc. and its subsidiaries named therein, Newcourt Commercial Finance Corporation, an affiliate of The CIT Group, Inc., and the other agents and lenders named therein (schedules and exhibits omitted)++++
10.11	Investment and Loan Agreement dated as of February 4, 2000, by and among FTI Consulting, Inc. and its subsidiaries named therein, Jack B. Dunn, IV, Stewart J. Kahn, Allied Capital Corporation and the other lenders named therein (schedules and exhibits omitted)++++
23.1	Consent of Ernst & Young LLP
23.2	Consent of Ernst & Young LLP
23.3	Consent of Piper Marbury Rudnick & Wolfe LLP (contained in Exhibit 5.1)
24.1	Power of Attorney#
99.1	Ernst & Young LLP Report on Financial Statement Schedule#
99.2	Valuation and Qualifying Accounts Schedule#

* Incorporated by reference from the Company's Registration Statement on Form SB-1, as amended (File No. 333-2002).

** Incorporated by reference from the Company's Registration Statement on Form 8-A (File No. 001-14875).

*** Incorporated by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

**** Incorporated by reference from the Company's Current Report on Form 8-K filed February 15, 2000.

***** Incorporated by reference from the Company's Registration Statement on Form S-8 (File No. 333-32160).

+ Incorporated by reference from the Company's Registration Statement on Form S-8 (File No. 333-30357).

++ Incorporated by reference from the Company's Current Report on Form 8-K filed July 15, 1998.

+++ Incorporated by reference from the Company's Current Report on Form 8-K filed October 13, 1998.

++++ Incorporated by reference from the Company's Current Report on Form 8-K filed October 2, 1998.

+++++ Incorporated by reference from the Company's Current Report on Form 8-K filed February 15, 2000.

Previously filed.

Item 17. Undertakings.

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signature

Title

Date

*

Director

September 25, 2000

James A. Flick

*

Director

September 25, 2000

Peter F. O'Malley

*

Director

September 25, 2000

Dennis J. Shaughnessy

*

Director

September 25, 2000

George P. Stamas

/s/ Jack B. Dunn, IV

*By: -----

Jack B. Dunn, IV

Attorney-in-fact

FTI CONSULTING, INC.

4,450,000 Common Shares

UNDERWRITING AGREEMENT

New York, New York
October __, 2000

ING Barings LLC
Janney Montgomery Scott LLC
As Representatives of the Several Underwriters
Named in Schedule I Attached Hereto
55 East 52nd/ Street
New York, New York 10055

Dear Sirs:

FTI Consulting, Inc., a Maryland corporation (the "Company"), and the Company's stockholders who are listed in the Company's Registration Statement (defined below) as selling stockholders (the "Selling Stockholders") propose to issue and sell an aggregate of 4,450,000 shares of common stock of the Company to ING Barings LLC and Janney Montgomery Scott LLC (the "Representatives") and the several underwriters named in Schedule I hereto (collectively with the Representatives, the "Underwriters" and individually, an "Underwriter," which terms shall also include any Underwriter substituted as hereinafter provided in Section 11). The shares of the Company's common stock, par value \$.01 per share, are hereinafter referred to as the "Common Shares," and the 4,450,000 Common Shares to be issued and sold to the Underwriters by the Company and Selling Stockholders are hereinafter referred to as the "Offered Shares." The public offering price per Offered Share (the "Offering Price") and the purchase price per Offered Share for the Offered Shares to be paid by the several Underwriters shall be agreed upon by the Company, the Selling Stockholders and the Representatives, acting on behalf of the several Underwriters, and such agreement shall be set forth in a separate written instrument substantially in the form of Exhibit A hereto (the "Price Determination Agreement"). The Price Determination Agreement may take the form of an exchange of any standard form of

written telecommunication among the Company, the Selling Stockholders and the Representatives and shall specify such applicable information as is indicated in Exhibit A hereto. The offering of the Offered Shares will be governed by this Agreement, as supplemented by the Price Determination Agreement. From and after the date of execution and delivery of the Price Determination Agreement, this Agreement shall be deemed to incorporate, and, unless the context otherwise indicates, all references contained herein to "this Agreement" and to the phrases "herein" and "hereof" shall be deemed to include the Price Determination Agreement.

In addition, the Underwriters, in order to cover over-allotments in the sale of the Offered Shares, may purchase from the Company and the Selling Stockholders within 30 business days after the Effective Date (as hereinafter defined), for their own account for offering to the public at the Offering Price, up to 667,500 additional Common Shares (the "Optional Shares"), upon the terms and conditions set forth in Section 4 hereof. Certain of the Selling Stockholders have executed and delivered a Power of Attorney and a Custody Agreement in the form attached hereto as Exhibit B (collectively, the "Agreement and Power of Attorney") pursuant to which those Selling Stockholders have placed their portion of the Offered Shares and Optional Shares in custody and appointed the person or persons designated therein with authority to execute and deliver this Agreement on behalf of the Selling Stockholders and to take certain other actions with respect thereto and hereto. The Offered Shares and the Optional Shares are hereinafter collectively referred to as the "Shares." The Company and the Selling Stockholders, intending to be legally bound hereby, confirm their respective agreements with each of the Underwriters as follows:

1. Representations and Warranties.

(a) The Company represents and warrants to, and agrees with, each of the several Underwriters that:

(i) The Company has prepared in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), and the rules, regulations, releases and instructions (the "Regulations") of the Securities and Exchange Commission (the "SEC") under the Act in effect at all applicable times and has filed with the SEC a registration statement on Form S-2 (File No. 333-45278) and one or more amendments thereto registering the Shares under the Act. If the Company elects to rely on Rule 462(b) of the Regulations to register a portion of the Shares, a registration statement on Form S-2 relating to the Shares (the "Rule 462 registration statement") has been or will be prepared by the Company under the Act and the Regulations and has been or will be filed with the SEC. Any preliminary prospectus included in such registration statement or filed with the SEC pursuant to Rule 424(a) of the Regulations is hereinafter called a "Preliminary Prospectus." The various parts of such initial registration statement, including all exhibits thereto and the information contained in the form of final prospectus filed with the SEC pursuant to Rule 424(b) of the Regulations in

accordance with Section 5(a) of this Agreement and deemed by virtue of Rule 430A of the Regulations to be part of the registration statement at the time it was declared effective, each as amended at the time the registration statement became effective, and any Rule 462 registration statement at the time it becomes or became effective, are hereinafter collectively called the "Registration Statement." The final prospectus in the form included in the Registration Statement and any Rule 462 registration statement or first filed with the SEC pursuant to Rule 424(b) of the Regulations and any amendments or supplements thereto is hereinafter collectively called the "Prospectus."

(ii) The Registration Statement and any Rule 462 registration statement have become effective under the Act as of their respective Effective Date (as defined below), and the SEC has not issued any stop order suspending the effectiveness of such Registration Statement or Rule 462 registration statement or preventing or suspending the use of the Preliminary Prospectus nor, to the knowledge of the Company, has the SEC instituted, contemplated or threatened to institute proceedings with respect to such an order. No stop order suspending the sale of the Shares in any jurisdiction designated by the Representatives has been issued, and no proceedings for that purpose, to the knowledge of the Company, have been instituted or are contemplated or threatened. The Company has complied in all material respects with any request of the SEC, or any state securities commission in a state designated by the Representatives for additional information to be included in the Registration Statement or Prospectus or otherwise. Each Preliminary Prospectus conformed to the Act and the Regulations as of its date in all material respects and did not as of its date contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except the foregoing shall not apply to statements in or omissions from any Preliminary Prospectus in reliance upon and in conformity with information furnished to the Company in writing by or on behalf of any Underwriter through the Representatives expressly for use therein. The Registration Statement and any Rule 462 registration statement on the date on which it is declared effective by the SEC (the "Effective Date") conformed, and any post-effective amendment thereof on the date it shall become effective, and the Prospectus at the time it is filed with the SEC pursuant to Rule 424(b) and on the Closing Date (as defined in Section 3 hereof) and any Option Closing Date (as defined in Section 4(b) hereof), will conform in all material respects to the requirements of the Act and the Regulations, and neither the Registration Statement, any Rule 462 registration statement, any post-effective amendment thereof nor the Prospectus will, on any of such respective dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, except that this representation and warranty

does not apply to statements in or omissions from the Registration Statement, any Rule 462 registration statement or the Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by or on behalf of any Underwriter through the Representatives expressly for use therein.

(iii) Each of the Company and the Subsidiaries (as defined herein) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation with all necessary power and authority, corporate and other, and all required licenses, permits, certifications, registrations, approvals, consents and franchises, to own or lease and operate its properties and to conduct its business as described in the Prospectus. The Company has full power and authority, corporate and other, to execute, deliver and perform this Agreement. Each of the Company and the Subsidiaries is duly qualified to do business as a foreign corporation and is in good standing in all jurisdictions in which such qualification is required, except where the failure so to qualify would not have a material adverse effect on the general affairs, material properties, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and the Subsidiaries taken as a whole. The Company does not own any stock or other equity interest in any corporation, partnership, joint venture or other entity other than as listed on Exhibit 21.0 of the Company's Annual Report on Form 10-K for the fiscal year end of December 31, 1999 (each a "Subsidiary" and collectively, the "Subsidiaries"). Except as set forth in the Credit Agreement dated February 4, 2000, and amended April 19, 2000, and the Investment and Loan Agreement dated February 4, 2000, no Subsidiary is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making other distributions on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary or from transferring any of such Subsidiary's property or assets to the Company or any other Subsidiary.

(iv) All of the issued shares of capital stock of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are owned beneficially, by the Company free and clear of all liens, security interests, pledges, charges, encumbrances, stockholders' agreements, voting trusts, equities or claims of any nature whatsoever except for the security interests created under the Credit Agreement dated as of February 4, 2000, by and among the Company and its subsidiaries named therein and the agents and lenders named therein, as amended, and any documents or instruments executed in connection therewith (collectively, the "Loan Documents").

(v) This Agreement has been duly authorized, executed and delivered by the Company and, assuming due execution by the Representatives, constitutes the legal, valid and binding obligation of the Company, enforceable against the

Company in accordance with its terms, subject, as to enforcement, to applicable bankruptcy, insolvency and moratorium laws and other laws relating to or affecting the enforcement of creditors' rights generally and to general equitable principles and except as the enforceability of rights to indemnity and contribution hereunder may be limited by federal or state securities laws or principles of public policy underlying such laws.

(vi) The issue and sale of the Shares to be issued and sold by the Company and the execution, delivery and performance of this Agreement by the Company does not and will not, with or without the giving of notice or the lapse of time, or both, (A) conflict with any terms or provisions of the Charter or By-laws, as amended to the date hereof of the Company or any of the Subsidiaries; (B) result in a breach of, constitute a default under, result in the termination or modification of or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the material properties of the Company or any of the Subsidiaries pursuant to any indenture, mortgage, deed of trust, contract, commitment or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which any of the properties of the Company or any of the Subsidiaries are bound or affected; (C) violate any law, rule, regulation, judgment, order or decree of any government or governmental agency, instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries or any of the material properties or business of the Company or any of the Subsidiaries or (D) result in a breach, termination or lapse of the power and authority of the Company or any of the Subsidiaries to own or lease and operate its material properties and conduct its business as described in the Prospectus.

(vii) At the date or dates indicated in the Prospectus, the Company had, based on the assumptions stated and footnotes included in the Prospectus, the capitalization set forth under the caption "Capitalization" in the Prospectus and will have the pro forma as adjusted capitalization set forth under the caption "Capitalization" in the Prospectus. On the Effective Date, the Closing Date and any Option Closing Date, there will be no options or warrants for the purchase of, other outstanding rights to purchase, agreements or obligations to issue or agreements or other rights to convert or exchange any obligation or security into, capital stock of the Company or any of the Subsidiaries or securities convertible into or exchangeable for capital stock of the Company or any such Subsidiary, except as described in the Registration Statement or the Prospectus with respect to the (A) options and awards that have been granted or are available for grant to employees, directors and certain others to purchase Common Shares (the "Employee Options"); (B) the Over-allotment Option granted hereunder; and (C) warrants described in the Registration Statement (the "Warrants").

(viii) The outstanding Common Shares have been duly authorized and are validly issued, fully paid and nonassessable and the Employee Options and Warrants have been duly authorized and validly issued and are legal, valid and binding obligations enforceable against the Company in accordance with the terms thereof, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights or contractual obligations generally. The Common Shares issuable pursuant to the Employee Options and Warrants when issued in accordance with the terms thereof, will be duly authorized, validly issued, fully paid and nonassessable. None of such outstanding Common Shares, Employee Options, Warrants or shares of capital stock of each Subsidiary were, and none of such issuable Common Shares will be, issued in violation of any preemptive rights of any security holder of the Company or any Subsidiary that have not been waived. The Company has reserved a sufficient number of Common Shares for issuance pursuant to the Employee Options and Warrants. The holders of the outstanding Common Shares are not subject to personal liability solely by reason of being such holders, and the holders of the Common Shares issuable pursuant to the Employee Options or Warrants will not be subject to personal liability solely by reason of being such holders. The offers and sales of the outstanding Common Shares, Employee Options, Warrants and the shares of capital stock of each Subsidiary were, and the issuance of the Common Shares pursuant to the Employee Options and Warrants will be, made in conformity with applicable registration requirements or exemptions therefrom under federal and applicable state securities laws.

(ix) The issuance and sale of the Shares by the Company have been duly authorized and, when the Shares have been duly delivered against payment therefor as contemplated by this Agreement, the Shares will be validly issued, fully paid and nonassessable, and the holders thereof will not be subject to personal liability solely by reason of being such holders. None of the Shares will be issued in violation of any preemptive rights of any stockholder of the Company. The certificates representing the Shares are in proper legal form under, and conform in all respects to the requirements of, the Maryland General Corporation Law, as amended (the "MGCL"). Neither the filing of the Registration Statement nor the offering or sale of the Shares as contemplated by this Agreement gives any security holder of the Company, other than the Selling Stockholders with regard to the Common Shares included in the Registration Statement, any rights, other than those which have been waived, for or relating to the registration of any Common Shares or other security of the Company.

(x) No consent, approval, authorization, order, registration, license or permit of any court, government, governmental agency, instrumentality or other

regulatory body or official is required for the valid authorization, issuance, sale and delivery by the Company of any of the Shares, or for the execution, delivery or performance by the Company of this Agreement, except such as may be required for the registration of the Shares under the Act, the Regulations and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which consent, approval and authorization have been obtained, and for compliance with the applicable state securities or Blue Sky laws, or the By-laws, rules and other pronouncements of the National Association of Securities Dealers, Inc. ("NASD"). Upon the effectiveness of the Registration Statement, the Common Shares will be registered pursuant to Section 12(g) of the Exchange Act, and will be listed on the American Stock Exchange ("ASE"). The Company has taken no action designed to, or likely to, have the effect of terminating the registration of the Common Shares from the ASE, nor has the Company received any notification that the SEC or the NASD is contemplating terminating such registration or listing.

(xi) The statements in the Registration Statement and the Prospectus, insofar as they are descriptions of or references to statutes, legal and governmental proceedings or contracts, agreements or other documents, are accurate in all material respects and present or summarize fairly, in all material respects, the information required to be disclosed under the Act or the Regulations, and there are no contracts, agreements or other documents required to be described or referred to in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement under the Act or the Regulations that have not been so described, referred to or filed, as required.

(xii) The consolidated financial statements of the Company, its consolidated subsidiaries and Policano & Manzo, LLC ("P&M") (including the notes thereto) filed as part of the Preliminary Prospectus, the Prospectus and the Registration Statement present fairly, in all material respects, the financial position of the Company, its consolidated subsidiaries, on a consolidated basis, and P&M, as of the respective dates thereof, and the results of operations and cash flows of the Company, its consolidated subsidiaries, on a consolidated basis, and P&M, for the respective periods indicated therein, all in conformity with generally accepted accounting principles consistently applied. The supporting schedules included in the Registration Statement fairly state in all material respects the information required to be stated therein in relation to the basic financial statements taken as a whole. The financial information included in the Prospectus under the captions "Summary" and "Selected Financial Data" presents fairly the information shown therein and has been compiled on a basis consistent with that of the audited financial statements included in the Registration Statement. No other financial statements or schedules of any Subsidiary are required by the Act or the Regulations to be included in the Registration Statement or the Prospectus.

(xiii) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, except as otherwise stated therein, there has not been (A) any material adverse change, including, whether or not insured against, any material loss or damage to any material assets, or development involving a prospective material adverse change, in the general affairs, properties, assets, management, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company or any of the Subsidiaries taken as a whole, (B) any transaction entered into other than in the ordinary course of business consistent with past practice by the Company or any of the Subsidiaries that is material to the Company and the Subsidiaries taken as a whole, (C) any dividend or distribution of any kind declared, paid or made by the Company or any of the Subsidiaries on their respective capital stock, (D) any liabilities or obligations, direct or indirect, incurred by the Company or any of the Subsidiaries that are material to the Company and the Subsidiaries other than liabilities incurred in the ordinary course of the Company's business consistent with past practice or (E) any material change in the short-term debt or long-term debt of the Company or any of the Subsidiaries. Neither the Company nor any of the Subsidiaries has any contingent liabilities or obligations that are material and that are not disclosed in the Prospectus.

(xiv) The Company has not distributed and, prior to the later to occur of the Closing Date, the Option Closing Date or the completion of the distribution of the Shares, will not distribute any offering material in connection with the offering and sale of the Shares other than the Registration Statement, the Preliminary Prospectus, the Prospectus and other materials, if any, permitted by the Act and the Regulations.

(xv) The Company and each of the Subsidiaries has filed with the appropriate federal state and local governmental agencies, and all foreign countries and political subdivisions thereof, all material tax returns that are required to be filed or has duly obtained extensions of time for the filing thereof and has paid all taxes shown on such returns and all material assessments received by it to the extent that the same have become due. The Company and each of the Subsidiaries has not executed or filed with any taxing authority, foreign or domestic, any agreement extending the period for assessment or collection of any income or other taxes, is not a party to any pending action or proceeding by any foreign or domestic governmental agencies for the assessment or collection of taxes, and no claims for assessment or collection of taxes have been asserted against the Company or any of the Subsidiaries that would materially adversely affect the general affairs, assets, material properties, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and the Subsidiaries taken as a whole.

(xvi) To the best of the Company's knowledge, Ernst & Young LLP, which has certified certain financial statements of the Company, its consolidated subsidiaries and P&M, included in the Registration Statement and the Prospectus, are independent public accountants as required by the Act, the Exchange Act and the Regulations. The statements included in the Registration Statement with respect to Ernst & Young LLP pursuant to Rule 509 of Regulation S-K are true and correct in all material respects.

(xvii) Neither the Company nor any of the Subsidiaries is, or with the giving of notice or the passage of time or both would be, in violation of, or in default under, any of the terms or provisions of (A) its Charter or By-laws, as amended to the date hereof, or (B) except to the extent such action would not have a material adverse effect on the general affairs, material properties, assets, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and the Subsidiaries taken as a whole, (1) any indenture, mortgage, deed of trust, contract, loan agreement, commitment or other agreement or instrument to which it is a party or by which it or any of its material properties is bound or affected; (2) any law, rule, regulation, judgment, order or decree of any government or governmental agency, instrumentality or court, domestic or foreign, having jurisdiction over it or any of its material properties or business or (3) any license, permit, certification, registration, approval, consent or franchise referred to in subsection (iii) of this Section 1(a).

(xviii) Other than as disclosed in the Prospectus, there are no material claims, actions, suits, proceedings, arbitrations, investigations or inquiries pending before or, to the knowledge of the Company, threatened or contemplated by, any governmental agency, instrumentality, court or tribunal, domestic or foreign, or before any private arbitration tribunal, relating to or affecting the Company or any of the Subsidiaries or any of their respective material properties or business that might affect the issuance or validity of any of the Shares or the validity of any of the outstanding Common Shares, or that, if determined adversely to the Company, would, in any case or in the aggregate, result in any material adverse change in the general affairs, material properties, assets, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and the Subsidiaries taken as a whole; nor, to the knowledge of the Company, is there any reasonable basis for any such material claim, action, suit, proceeding, arbitration, investigation or inquiry. Other than as disclosed in the Prospectus, there are no outstanding orders, judgments or decrees of any court, governmental agency, instrumentality or other tribunal enjoining the Company or any Subsidiary from, or requiring the Company to take or refrain from taking, any action, or to which the Company or

any Subsidiary, or their respective material properties, assets or business is bound or subject.

(xix) Except as disclosed in the Prospectus, the Company and each of the Subsidiaries owns, or possesses adequate rights to use, all patents, patent applications, trademarks, trademark registrations, applications for trademark registration, trade names, service marks, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential technology, information, systems, design methodologies and devices or procedures developed or derived from the Company's or a Subsidiary's business), trade secrets, confidential information, processes and formulations necessary for or used in the conduct of its business as described in the Prospectus (collectively, the "Intellectual Property") that, if not so owned, or if rights to use were not so possessed, would materially adversely affect the general affairs, material properties, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and the Subsidiaries; neither the Company nor any of the Subsidiaries has knowingly infringed, is infringing or has received any notice of conflict with the asserted rights of others with respect to the Intellectual Property that, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially adversely affect the general affairs, material properties, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and the Subsidiaries taken as a whole; and, to the knowledge of the Company, no others have infringed upon or are in conflict with its Intellectual Property.

(xx) The Company and each of the Subsidiaries has good and marketable title to all personal property (tangible and intangible) described in the Prospectus as being owned by it, free and clear of all liens, security interests, charges or encumbrances, except (A) those as are described in the Prospectus, (B) liens arising in the ordinary course of the Company's business consistent with past practice since the date of the latest balance sheet in the Prospectus, (C) purchase money security interests, conditional sale contracts, capitalized leases and other title retention or deferred purchase devices arising in the ordinary course of the Company's business consistent with past practice, (D) deposits or pledges made in connection with workers' compensation or unemployment insurance, (E) liens arising by operation of law to secure landlords and lessors under lease agreements, (F) liens to secure claims for labor, material or supplies to the extent payment therefor shall not at the time be required to be made, (G) liens for current taxes not yet due or for taxes being contested in good faith and (H) those as do not materially affect the value or the transferability of such property and do not interfere in any material respect with the use made, or proposed to be made, of such property by the Company or such Subsidiary. The Company and each of the

Subsidiaries has adequately insured with insurers of recognized financial responsibility its personal property against loss or damage by fire or other casualty and maintains, in adequate amounts, insurance against such other risks as are prudent and customary in the businesses in which they are engaged. The Company does not own any real property, and all real property used or leased by the Company or any of the Subsidiaries, as described in the Prospectus (collectively, the "Premises"), is held by the Company or such Subsidiary under a valid, subsisting and enforceable lease, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights or contractual obligations generally. To the knowledge of the Company, the Premises, and all operations conducted thereon, are now and, since the Company or such Subsidiary began to use such Premises, always have been in compliance in all material respects with all federal, state and local statutes, ordinances, regulations, rules, standards and requirements of common law concerning or relating to industrial hygiene and the protection of health and the environment (collectively, "the Environmental Laws"), except to the extent that any failure to be in such compliance would not materially adversely affect the general affairs, material properties, assets, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and the Subsidiaries taken as a whole. To the knowledge of the Company, there have been no releases of hazardous substances on, beneath or arising from the Premises since the Company or such Subsidiary began to use such Premises that would give rise to liability, the imposition of a statutory lien or require a "Response," "Removal" or "Remedial Action," as defined herein, under any of the Environmental Laws, and that would materially adversely affect the general affairs, material properties, assets, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and the Subsidiaries taken as a whole. Neither the Company nor any of the Subsidiaries has received written notice, and does not have actual knowledge, of any claim, investigation, regulatory action, suit or other action instituted or threatened against it or the Premises relating to any of the Environmental Laws. Neither the Company nor any of the Subsidiaries has received any notice of material violation, citation, complaint, order, directive, request for information or response thereto, notice letter, demand letter or compliance schedule to or from any governmental or regulatory agency arising out of or in connection with Hazardous Substances (as defined by applicable Environmental Laws) on, beneath, arising from or generated at the Premises. As used in this subsection, the terms "Response," "Removal" and "Remedial Action" shall have the respective meanings assigned to such terms under Sections 101 (23)-101 (25) of the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act.

(xxi) Each of the Company and the Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurances that: (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary in order to permit preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxii) All offers and sales of the Company's capital stock prior to the date hereof were at all relevant times duly registered under the Act or exempt from the registration requirements of the Act and were duly registered or the subject of an available exemption from the registration requirements of applicable state securities or blue sky laws.

(xxiii) Each material contract or other material instrument (however characterized or described) to which the Company or any of the Subsidiaries is a party or by which any of its properties or business is bound or affected and to which reference has been made in the Prospectus or which has been filed as an exhibit to the Registration Statement has been duly and validly executed by the Company or such Subsidiary and, to the knowledge of the Company, by the other parties thereto. Except as described in the Prospectus, each such contract or other instrument is in full force and effect in all material respects and is enforceable against the parties thereto in all material respects in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights or contractual obligations generally, and neither the Company nor such Subsidiary is and, to the knowledge of the Company, no other party is in material default thereunder and no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a material default thereunder.

(xxiv) All employee benefit plan, profit sharing plan, employee pension benefit plan or employee welfare benefit plan or deferred compensation arrangements (collectively, "Plans") that are subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations thereunder ("ERISA") are and have been at all times since their establishment, in compliance with ERISA in all material respects and, to the extent required by the Internal Revenue Code of 1986, as amended (the "Code"), in compliance with the Code in all material respects. Neither the Company nor any Subsidiary has sponsored any employee pension benefit plan that is subject to Part 3 of Subtitle B of Title I of ERISA or any defined benefit plan or

multiemployer plan. Neither the Company nor any Subsidiary has maintained retired life and retired health insurance plans that are employee welfare benefit plans providing for continuing benefit or coverage for any employee or any beneficiary of any employee after such employee's termination of employment, except as required by Section 4980B of the Code. To the knowledge of the Company, no fiduciary or other party in interest with respect to any of the Plans has caused any of such Plans to engage in a prohibited transaction as defined in Section 406 of ERISA. As used in this subsection, the terms "defined benefit plan," "employee benefit plan," "employee pension benefit plan," "employee welfare benefit plan," "fiduciary" and "multiemployer plan" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

(xxv) No material labor dispute exists with the employees of the Company or any of the Subsidiaries and, to the knowledge of the Company, no such labor dispute is imminent.

(xxvi) Except as disclosed in the Prospectus, the Company has not incurred any liability for any finder's fees or similar payments in connection with the transactions contemplated herein.

(xxvii) Except as described in the Prospectus or as entered into in the ordinary course of the Company's business consistent with past practice, neither the Company nor any Subsidiary is a party to, nor is it bound by, any agreement pursuant to which royalties, honoraria or fees are payable by the Company or such Subsidiary to any person by reason of the ownership or use of any Intellectual Property that is material to the business of the Company or such Subsidiary.

(xxviii) The Company is familiar with the Investment Company Act of 1940, as amended (the "1940 Act"), and the rules and regulations thereunder, and has in the past conducted, and intends in the future to continue to conduct, its affairs in such a manner to ensure that it will not become an "investment company" within the meaning of the 1940 Act and such rules and regulations.

(xxix) Neither the Company nor, to the knowledge of the Company, any of its officers, directors or affiliates has (A) taken, directly or indirectly, any action designed to cause or result in, or that has constituted or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares or (B) since the filing of the Registration Statement (1) sold, bid for, purchased or paid anyone any compensation for soliciting purchases of, the Shares or (2) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(xxx) The Company has obtained for the benefit of the Company and the Underwriters from the Selling Stockholders and each of the Company's directors and executive officers listed on Schedule II hereto a written agreement ("lock-up agreement"), in the form of Exhibit C hereto, that for a period of 90 days from the Effective Date such Selling Stockholders, director or executive officer will not, without the prior written consent of the Representatives, offer, sell, contract to sell, grant any option for the sale of, or otherwise dispose of, directly or indirectly, any shares of Common Stock.

(xxxii) Neither the Company, any of the Subsidiaries, nor, to the knowledge of the Company, any director, officer, employee or other person associated with or acting on behalf of the Company or any Subsidiary has, directly or indirectly: used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds; violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(xxxiii) The Company has registered with Network Solutions, Inc. the Internet domain names www.fticonsulting.com and www.ftiwarroom.net and has ----- administrative control over these sites. The Company has no knowledge of a registered trademark held by a third party that may be used to prevent the Company from using these domain names.

(xxxiiii) The Company and each of the Subsidiaries are insured by recognized, financially sound and reputable institutions with policies in such amounts and with such deductibles and covering such risks as are generally deemed adequate and customary for their business including, but not limited to, policies covering real and personal property owned or leased by the Company and the Subsidiaries against theft, damage, destruction, acts of vandalism and earthquakes, general liability and directors and officers liability, all of which insurance is in full force and effect. The Company has no reason to believe that it or the Subsidiaries will not be able to (i) renew their existing insurance coverage as and when such policies expire or (ii) obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct their business as now conducted and at a cost that would not result in a material adverse effect on the Company and the Subsidiaries taken as a whole or adversely affect the ability of the Company to perform its obligations under this Agreement. Neither of the Company nor any of the Subsidiaries has been denied any insurance coverage which it has sought or for which it has applied.

Any certificate signed by any officer of the Company in such capacity and delivered to the Representatives or to counsel for the Underwriters pursuant to this Agreement shall be deemed a representation and warranty by the Company to the several Underwriters as to the matters covered thereby.

(b) Representations and Warranties of the Selling Stockholders. Each of the Selling Stockholders severally represents and warrants to each of the several Underwriters and the Company that:

(i) Each of the Selling Stockholders that is a business entity is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization with all necessary power and authority, corporate and otherwise, and all required licenses, permits, certifications, registrations, approvals, consents and franchises, to conduct its business and enter into this Agreement.

(ii) Such Selling Stockholder has full right, power (corporate and other) and authority to enter into this Agreement and the Agreement and Power of Attorney and to sell, assign, transfer and deliver to the Underwriters the Shares to be sold by the Selling Stockholder hereunder; and the execution and delivery of this Agreement and the Agreement and Power of Attorney have been duly authorized by all necessary action of the Selling Stockholder.

(iii) Such Selling Stockholder has duly executed and delivered this Agreement and the Agreement and Power of Attorney and, assuming due execution of this Agreement by the Representatives of the Underwriters, this Agreement and the Agreement and Power of Attorney constitute the valid and binding agreements of the Selling Stockholder enforceable against the Selling Stockholder in accordance with its terms, subject, as to enforcement, to applicable bankruptcy, insolvency, reorganization and moratorium laws and other laws relating to or affecting the enforcement of creditors' rights generally and to general equitable principles and, with respect to this Agreement and the Agreement and Power of Attorney, except as the enforceability of rights to indemnity and contribution under this Agreement may be limited under applicable securities laws or the public policy underlying such laws.

(iv) No consent, approval, authorization, order or declaration of or form, or registration, qualification or filing with, any court or governmental agency or body is required for the sale of the Shares to be sold by such Selling Stockholder or the consummation of the transactions contemplated by this Agreement and the Agreement and Power of Attorney, except the registration of such Shares under the Act (which, if the Registration Statement is not effective as of the time of execution hereof, shall be obtained as provided in this Agreement)

and such as may be required under state securities or Blue Sky laws in connection with the offer, sale and distribution of such Shares by the Underwriters.

(v) The sale of the Shares to be sold by such Selling Stockholder and the performance of this Agreement and the Agreement and the Power of Attorney and the consummation of the transactions therein and herein contemplated will not conflict with, or, with or without the giving of notice or the passage of time or both, result in a breach or violation of any of the terms or provisions of, or constitute a default under, any material indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Selling Stockholder (or any of its subsidiaries if the Selling Stockholder is a business entity) is a party or to which any of their respective material properties or assets is subject, nor will such action conflict with or violate: (i) any provision of the charter documents or by-laws of the Selling Stockholder or governing instruments of any of its subsidiaries if the Selling Stockholder is a business entity; or (ii) any statute, rule or regulation or any order, judgement or decree of any court or governmental agency or body having jurisdiction over the Selling Stockholder or any of the Selling Stockholder's material properties or assets.

(vi) Such Selling Stockholder has, and immediately prior to the Closing Date or Option Closing Date, as the case may be (as defined in Section 4 hereof), the Selling Stockholder will have, good and valid title to the Shares to be sold by the Selling Stockholder hereunder, free and clear of all liens, security interests, pledges, charges, encumbrances, defects, shareholders' agreements, voting trusts, equities or claims of any nature whatsoever (other than pursuant to this Agreement and the Agreement and Power of Attorney); and, upon delivery of such Shares against payment therefor as provided herein, good and valid title to such Shares, free and clear of all liens, security interests, pledges, charges, encumbrances, defects, stockholders' agreements, voting trusts, equities or claims of any nature whatsoever, will pass to the several Underwriters.

(vii) Neither such Selling Stockholder nor any of its officers or directors (if applicable) or affiliates has (A) taken, directly or indirectly, any action designed to cause or result in, or that has constituted or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares or (B) since the filing of the Registration Statement (1) sold, bid for, purchased or paid anyone any compensation for soliciting purchases of, the Shares or (2) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(viii) Certificates in negotiable form for the Shares to be sold hereunder and warrants to be exercised by such Selling Stockholder have been placed in

custody, for the purpose of making delivery of such Shares under this Agreement, under the Agreement and Power of Attorney which appoints Theodore I. Pincus as custodian (the "Custodian") for the Selling Stockholder. Such Selling Stockholder agrees that the Shares represented by the certificates and warrants held in custody for it under the Agreement and Power of Attorney are for the benefit of and coupled with and subject to the interest hereunder of the Custodian, the Underwriters and the Company, that the arrangements made by the Selling Stockholder for such custody and the appointment of the Custodian by the Selling Stockholder are irrevocable, and that the obligations of the Selling Stockholder hereunder shall not be terminated by operation of law, the liquidation of the Selling Stockholder or any other event, and after any such liquidation or event, certificates for the Shares shall be delivered by the Custodian in accordance with the terms and conditions of this Agreement and any actions taken by the Custodian pursuant to the Agreement and Power of Attorney shall be as valid as if such liquidation or other event had not occurred, regardless of whether or not the Custodian shall have received notice thereof.

In order to document the Underwriters' compliance with the reporting and withholding provisions of the Code, with respect to the transactions herein contemplated, such Selling Stockholder agrees to deliver to the Representatives prior to or at the Closing Date, a properly completed and executed United States Treasury Department Form W-8 or other applicable form or statement specified by Treasury Department regulations in lieu thereof.

2. Purchase and Sale of Offered Shares. On the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Company and Selling Stockholders shall sell the Offered Shares to the several Underwriters at the Offering Price less the underwriting discount shown on the cover page of the Prospectus (the "Underwriting Discount"), and the Underwriters, severally and not jointly, shall purchase from the Company on a firm commitment basis, at the Offering Price less the Underwriting Discount, the respective Offered Shares set forth opposite their names on Schedule I hereto. In making this Agreement, each Underwriter is contracting severally, and not jointly, and except as provided in Sections 4 and 11 hereof, the agreement of each Underwriter is to purchase only that number of Offered Shares specified with respect to that Underwriter in Schedule I. The Underwriters shall offer the Offered Shares to the public as set forth in the Prospectus.

3. Payment and Delivery. Payment for the Offered Shares shall be made to the Company and the Custodian by certified or official bank check payable to order in New York Clearing House funds, at the offices of ING Barings LLC, 55 East 52nd/ Street, New York, New York, 10055, or at such other location as shall be agreed upon by the Company, the Custodian and the Representatives, or in immediately available funds wired to such account as the Company and the Custodian may specify with all costs and expenses incurred by the

Underwriters in connection with such settlement in immediately available funds (including, but not limited to, interest or cost of funds expenses) to be borne by the Company and Selling Shareholders, against delivery of the Offered Shares to the Representatives at the offices of The Depository Trust Company, 55 Water Street, New York, New York 10041, for the respective accounts of the Underwriters. Such payment and delivery will be made at 10:00 A.M., New York time, on the third (or, if the Offered Shares are priced, as contemplated by Rule 15c6-1(c) under the Exchange Act after 4:30 P.M. New York time, the fourth) business day after the date of this Agreement or at such other time and date not later than five business days thereafter as the Representatives and the Company shall agree upon. Such time and date are referred to herein as the "Closing Date." The certificates representing the Offered Shares to be sold and delivered will be in such denominations and registered in such names as the Representatives request not less than two full business days prior to the Closing Date, and will be made available to the Representatives for inspection, checking and packaging at the office of The Depository Trust Company in New York, New York or at such other location in New York, New York as is specified by the Representatives, not less than one full business day prior to the Closing Date.

4. Option to Purchase Optional Shares.

(a) For the purposes of covering any over-allotments in connection with the distribution and sale of the Offered Shares as contemplated by the Prospectus, subject to the terms and conditions herein set forth, the several Underwriters are hereby granted an option by the Company and Selling Stockholders to purchase all or any part of the Optional Shares from the Company and Selling Stockholders (the "Over-allotment Option") as set forth in the Registration Statement and as enumerated on Schedule III attached hereto. The purchase price to be paid for the Optional Shares shall be the Offering Price less the Underwriting Discount. The Over-allotment Option granted hereby may be exercised by the Representatives on behalf of the several Underwriters as to all or any part of the Optional Shares at any time (but not more than once) within 30 business days after the Effective Date. No Underwriter shall be under any obligation to purchase any Optional Shares prior to an exercise of the Over-allotment Option. In the event that the several Underwriters purchase less than all of the Optional Shares, the number of Optional Shares purchased shall be divided pro rata among those entities listed on Schedule III.

(b) The Over-allotment Option granted hereby may be exercised by the Representatives on behalf of the several Underwriters by giving notice to the Company by a letter sent by registered or certified mail, postage prepaid, telex, telegraph, telegram or facsimile (such notice to be effective when sent), addressed as provided in Section 13 hereof, setting forth the number of Optional Shares to be purchased, the date and time for delivery of and payment for the Optional Shares and stating that the Optional Shares referred to therein are to be used for the purpose of covering over-allotments in connection with the distribution and sale of the Offered Shares. If such notice is given prior to the Closing Date, the date set forth therein for such delivery and payment shall

not be earlier than either five full business days thereafter or the Closing Date, whichever occurs later. If such notice is given on or after the Closing Date, the date set forth therein for such delivery and payment shall be a date selected by the Representatives that is not earlier than three or later than five full business days after the exercise of the Over-allotment Option. The date and time set forth in such a notice is referred to herein as an "Option Closing Date," and a closing held pursuant to such a notice is referred to herein as an "Option Closing." The number of Optional Shares to be sold to each Underwriter pursuant to each exercise of the Over-allotment Option shall be the number that bears the same ratio to the aggregate number of Optional Shares being purchased through such Over-allotment Option exercise as the number of Offered Shares opposite the name of such Underwriter in Schedule I hereto bears to the total number of all Offered Shares; subject, however, to such adjustment as the Representatives may approve to eliminate fractional shares and subject to the provisions for the allocation of Optional Shares purchased for the purpose of covering over-allotments set forth in of the Agreement Among Underwriters. Upon the exercise of the Over-allotment Option, the Company and Selling Stockholders shall become obligated to issue and sell to the Representatives for the respective accounts of the Underwriters, and on the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the several Underwriters shall become severally but not jointly obligated to purchase from the Company and Selling Stockholders, the number of Optional Shares specified in the notice of exercise of the Over-allotment Option.

(c) Payment for the Optional Shares shall be made by certified or official bank check payable to order in New York Clearing House funds, at the offices of ING Barings LLC, 55 East 52nd Street, New York, New York, or such other location as shall be agreed upon by the Company and the Representatives, or in immediately available funds wired to such account as the Company may specify (with all costs and expenses incurred by the Underwriters in connection with such settlement in immediately available funds (including, but not limited to, interest or cost of funds expenses) to be borne by the Company, against delivery of the Optional Shares to the Representatives at the offices of The Depository Trust Company, 55 Water Street, New York, New York 10041, for the respective accounts of the Underwriters. The certificates representing the Optional Shares to be issued and delivered will be in such denominations and registered in such names as the Representatives request not less than two full business days prior to the Option Closing Date, and will be made available to the Representatives for inspection, checking and packaging at the office of The Depository Trust Company in New York, New York or at such other location in New York, New York as is specified by the Representatives not less than one full business day prior to the Option Closing Date.

5. Certain Covenants and Agreements of the Company and the Selling Stockholders.

(a) Covenants of the Company. The Company covenants and agrees with the several Underwriters as follows:

(i) If Rule 430A of the Regulations is employed, the Company will timely file the Prospectus pursuant to and in compliance with Rule 424(b) of the Regulations and will advise the Representatives of the time and manner of such filing.

(ii) The Company will not at any time, whether before or after the Registration Statement shall have become effective, during such period as, in the opinion of counsel for the Underwriters, the Prospectus is required by law to be delivered in connection with sales by the Underwriters or a dealer, file or publish any amendment or supplement to the Registration Statement or the Prospectus of which the Representatives have not been previously advised and furnished a copy, or which is not in compliance with the Regulations, or, during the period before the distribution of the Offered Shares and the Optional Shares is completed, file or publish any amendment or supplement to the Registration Statement or the Prospectus to which the Representatives reasonably object in writing.

(iii) The Company will use its best efforts to cause the Registration Statement, if not effective at the time and date that this Agreement is executed and delivered by the parties hereto, to become effective and will advise the Representatives immediately, and confirm such advice in writing, (A) when the Registration Statement, or any post-effective amendment to the Registration Statement, is filed with the SEC, (B) of the receipt of any comments from the SEC, (C) when the Registration Statement has become effective and when any post-effective amendment thereto becomes effective, or when any supplement to the Prospectus or any amended Prospectus has been filed, (D) of any request of the SEC for amendment or supplementation of the Registration Statement or Prospectus or for additional information, (E) during the period when the Prospectus is required to be delivered under the Act and Regulations, of the happening of any event which in the Company's judgment makes any material statement in the Registration Statement or the Prospectus untrue or which requires any changes to be made in the Registration Statement or the Prospectus in order to make any material statements therein not misleading and (F) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, the suspension of the qualification of any of the Shares for offering or sale in any jurisdiction in which the Underwriters intend to make such offers or sales, or of the initiation or threatening of any proceedings for

any of such purposes. The Company will use its best efforts to prevent the issuance of any such stop order or of any order preventing or suspending such use and, if any such order is issued, to obtain as soon as possible the lifting thereof.

(iv) The Company has delivered to the Representatives, without charge, and will continue to deliver from time to time until the Effective Date, as many copies of each Preliminary Prospectus as the Representatives may reasonably request. The Company will deliver to the Representatives, without charge, as soon as possible after the Effective Date, and thereafter from time to time during the period when delivery of the Prospectus is required under the Act, such number of copies of the Prospectus (as supplemented or amended, if the Company makes any supplements or amendments to the Prospectus) as the Representatives may reasonably request. The Company hereby consents to the use of such copies of the Preliminary Prospectus and the Prospectus for the purposes permitted by the Act, the Regulations and the securities or Blue Sky laws of the jurisdictions in which the Shares are offered by the several Underwriters and by all dealers to whom Shares may be sold, both in connection with the offering and sale of the Shares and for such period of time thereafter as the Prospectus is required by the Act to be delivered in connection with sales by any Underwriter or dealer. The Company has furnished or will furnish to the Representatives two signed copies of the Registration Statement as originally filed and of all amendments thereto, whether filed before or after the Effective Date, two copies of all exhibits filed therewith and two signed copies of all consents and certificates of experts, and will deliver to the Representatives such number of conformed copies of the Registration Statement, including financial statements and exhibits, and all amendments thereto, as the Representatives may reasonably request.

(v) The Company will comply with the Act, the Regulations, the Exchange Act and the rules and regulations thereunder so as to permit the continuance of sales of and dealings in the Shares for as long as may be necessary to complete the distribution of the Shares as contemplated hereby. The Company will comply with all of the provisions of any undertakings contained in the Registration Statement.

(vi) Subject to subsection (ii) of this Section 5(a), in case of any event, at any time within the period during which, in the opinion of counsel for the Underwriters, a prospectus is required to be delivered under the Act and the Regulations, as a result of which event any Preliminary Prospectus or the Prospectus, as then amended or supplemented, would contain in the judgment of the Company or in the opinion of counsel for the Underwriters an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were

made, not misleading, or, if it is necessary at any time to amend any Preliminary Prospectus or the Prospectus to comply with the Act and the Regulations or any applicable securities or Blue Sky laws, the Company promptly will prepare and file with the SEC, and any applicable state securities commission, an amendment or supplement that will correct such statement or omission or an amendment that will effect such compliance and will furnish to the Representatives such number of copies of such amendment or amendments or supplement or supplements to the Prospectus, in form and substance satisfactory to the Representatives and counsel for the Underwriters, as the Representatives may reasonably request. For purposes of this subsection, the Company will furnish such information to the Representatives, the Underwriters' counsel and counsel to the Company as shall be necessary to enable such persons to consult with the Company with respect to the need to amend or supplement the Prospectus, and shall furnish to the Representatives and the Underwriters' counsel such further information as each may from time to time reasonably request. If the Company and the Representatives agree that the Prospectus should be amended or supplemented, the Company, if requested by the Representatives, will, if and to the extent required by law, promptly issue a press release announcing or disclosing the matters to be covered by the proposed amendment or supplement.

(vii) For a period of five years from the Effective Date, the Company will deliver to the Representatives: (i) a copy of each report or document, including, without limitation, reports on Forms 8-K, 10-Q and 10-K (or such similar forms as may be designated by the SEC), registration statements and any exhibits thereto, filed or furnished to the SEC or any securities exchange or the NASD, on the date each such report or document is so filed or furnished; (ii) as soon as practicable, copies of any reports or communications (financial or other) of the Company mailed to its security holders and (iii) every material press release in respect of the Company or its affairs that was released or prepared by the Company.

(viii) The Company will not (A) take, directly or indirectly, prior to the termination of the underwriting syndicate contemplated by this Agreement, any action designed to cause or to result in, or that might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares, (B) sell, bid for, purchase or pay anyone any compensation for soliciting purchases of, the Shares or (C) pay or agree to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(ix) In connection with the lock-up agreements, appropriate stop transfer instructions with respect to any Common Shares held by such person will be issued by the Company to the transfer agent for such Common Shares.

(x) The Company will not sell, issue, contract to sell offer to sell or otherwise dispose of any Common Shares, options to purchase Common Shares or any other security convertible into or exchangeable for Common Shares, from the date of the Effective Date through the period ending 90 days after the Effective Date, without the prior written consent of the Representatives, which consent shall not be unreasonably withheld, except for (i) the sale of the Shares as contemplated by this Agreement and the granting of options, (ii) the grant of options or awards under, or the issuance of Common Shares upon the exercise of options or awards granted under, the Company's 1992 Stock Option Plan or the Company's 1997 Stock Option Plan described in the Prospectus, (iii) the issuance of shares as consideration for future acquisitions if the terms of such issuance provide that such Common Shares shall not be sold prior to the expiration of the 90-day period referenced under the lock-up agreements, and (iv) issuance of shares upon the exercise of outstanding Warrants.

(xi) The Company will cooperate with the Representatives and counsel to the Underwriters in connection with the filings requested to be made by Representatives with the NASD and will pay the fee of the NASD in connection with its review of the offering of the Shares.

(xii) The Company shall, at its sole cost and expense, supply and deliver to the Representatives and the Underwriters' counsel, within a reasonable period from the Closing Date, three transaction binders, each of which shall include the Registration Statement, as amended or supplemented, the Prospectus, and any supplement thereto and all other underwriting and closing documents.

(xiii) The Company will use the net proceeds from the sale of the Shares to be sold by it hereunder substantially in accordance with the description set forth in the Prospectus and shall file such reports with the SEC with respect to the sale of such Shares and the application of the proceeds therefrom as may be required in accordance with Rule 463 under the Act.

(xiv) The Company shall cause to be prepared and delivered, at its expense, within one business day from the date hereof, to the Underwriters an "electronic Prospectus" to be used by the Underwriters in connection with the offering and sale of the Shares. As used herein, the term "electronic Prospectus" means a form of Prospectus, and any amendment or supplement thereto, that meets each of the following conditions: (i) it shall be encoded in an electronic format, satisfactory to the Underwriters, that may be transmitted electronically by the Underwriters to offerees and purchasers of the Shares for at least during the period when, in the opinion of counsel to the Underwriters, the Prospectus is required to be delivered under the Act or the Exchange Act; (ii) it shall disclose

the same information as the paper Prospectus and Prospectus filed pursuant to the Electronic Data Gathering Analysis and Retrieval System of the SEC ("EDGAR"), except to the extent that graphic and image material cannot be disseminated electronically, in which case such graphic and image material shall be replaced in the electronic Prospectus with a fair and accurate narrative description or tabular representation of such material, as appropriate; and (iii) it shall be in or convertible into a paper format or an electronic format, satisfactory to the Representatives, that will allow investors to store and have continuously ready access to the Prospectus at any future time, without charge to investors (other than any fee charged for subscription to the system as a whole and for on-line time). The Company hereby confirms that it has included or will include in the Prospectus filed pursuant to EDGAR or otherwise with the Commission and in the Registration Statement at the effective date of the Registration Statement an undertaking that, upon receipt of a request by an investor or his or her representative during the period when, in the opinion of counsel to the Underwriters, delivery of a Prospectus by an Underwriter or dealer may be required by the Act, the Company shall transmit or cause to be transmitted promptly, without charge, a paper copy of the Prospectus.

(b) Covenants of the Selling Stockholders. Each of the Selling Stockholders covenants and agrees with each of the Underwriters:

(i) Such Selling Stockholder will execute a lock-up agreement, which lock-up agreement shall be in form of Exhibit C hereto, and shall deliver such agreement to the Representatives prior to the Effective Date. Appropriate stop transfer instructions with respect to the Common Shares held by such Selling Stockholder, other than the Shares to be sold by such Selling Stockholder hereunder, will be issued by the Company to the transfer agent for the Common Shares.

(ii) Neither such Selling Stockholder nor any of its officers, directors (if applicable) or affiliates will (A) take, directly or indirectly, prior to the termination of the underwriting syndicate contemplated by this Agreement, any action designed to cause or to result in, or that might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Shares, (B) sell, bid for, purchase or pay anyone any compensation for soliciting purchases of, the Shares or (C) pay to or agree to pay any person any compensation for soliciting another to purchase any other securities of the Company.

(iii) Such Selling Stockholder will not, without the prior written consent of the Representatives, make any bid for or purchase any Common Shares during the 90-day period following the date hereof.

6. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated and regardless of the reason this Agreement is terminated, the Company will pay or cause to be paid, and bear or cause to be borne, all costs and expenses incident to the performance of the obligations of the Company and the Selling Stockholders under this Agreement, including: (i) the fees and expenses of the accountants and counsel for the Company incurred in the preparation of the Registration Statement and any post-effective amendments thereto (including financial statements and exhibits), the Preliminary Prospectuses and the Prospectus and any amendments or supplements thereto; (ii) printing and delivery expenses associated with the Registration Statement and any post-effective amendments thereto, the Preliminary Prospectus, the Prospectus and related documents and any supplement thereto; (iii) the costs (other than fees and expenses of the Underwriters' counsel) incident to the authentication, issuance, sale and delivery of the Shares to the Underwriters; (iv) all taxes, if any, on the issuance, delivery and transfer of the Shares to be sold by the Company and the Selling Stockholders; (v) the fees, expenses and other costs of, or incident to, securing any review or approvals by or from the NASD including the fees, disbursements and other charges of the Underwriters' counsel in connection therewith; (vi) the filing fees of the SEC; (vii) the cost of furnishing to the Underwriters copies of the Registration Statement, the Preliminary Prospectuses and the Prospectuses as herein provided; (viii) the Company's travel expenses in connection with meetings with the brokerage community and institutional investors; (ix) the costs and expenses associated with settlement in same day funds (including, but not limited to, interest or cost of funds expenses), if desired by the Company or the Selling Stockholders; (x) the fees for listing the Shares on the ASE; (xi) the cost of printing certificates for the Shares; (xii) the cost and charges of any transfer agent or custodian; (xiii) all costs and expenses incident to Company travel for "road show" presentations to be made to prospective investors; and (xiv) all other costs and expenses reasonably incident to the performance of their respective obligations hereunder that are not otherwise specifically provided for in this Section 6, provided that except as specifically set forth in subsection (c) of this Section 6 the Underwriters shall be responsible for their out-of-pocket expenses, including those associated with meetings with the brokerage community and institutional investors, other than the Company's travel expenses, and the fees and expenses of their counsel.

(b) If this Agreement shall be terminated by the Company or if for any reason the Company shall fail to perform its obligations hereunder, if any condition to the obligations of the Underwriters set forth in Section 7 hereof is not satisfied or if the sale to the Underwriters of the Shares on the Closing Date is not consummated because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse the Representatives and the other Underwriters (or such Underwriters as have terminated this

Agreement with respect to themselves), severally, upon demand for all reasonable out-of-pocket expenses that shall have been incurred by the Representatives and the Underwriters in connection with the proposed purchase and the offering and sale of the Shares, including but not limited to fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges.

7. Conditions of the Underwriters' Obligations. The obligation of each Underwriter to purchase and pay for the Offered Shares that it has agreed to purchase hereunder on the Closing Date, and to purchase and pay for any Optional Shares as to which it exercises its right to purchase under Section 4 on any Option Closing Date, is subject at the date hereof, the Closing Date and any Option Closing Date to the continuing accuracy of the respective representations and warranties of the Company and of the Selling Stockholders set forth herein, to the performance by the Company and by the Selling Stockholders of their respective covenants and obligations hereunder and to the following additional conditions precedent:

(a) The Registration Statement shall have become effective not later than 5:30 p.m., New York time, on the date of this Agreement, or at such later time or on such later date as the Representatives may agree to in writing; if required by the Regulations, the Prospectus shall have been filed with the SEC pursuant to Rule 424(b) of the Regulations within the applicable time period prescribed for such filing by the Regulations and in accordance with subsection (a) of Section 5 hereof; on or prior to the Closing Date or any Option Closing Date, as the case may be, no stop order or other order preventing or suspending the effectiveness of the Registration Statement or the sale of any of the Shares shall have been issued under the Act or any state securities law and no proceedings for that purpose shall have been initiated or shall be pending or, to the Representatives' knowledge or the knowledge of the Company, shall be contemplated by the SEC and any request on the part of the SEC for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriters.

(b) All corporate proceedings and other matters incident to the authorization, form and validity of this Agreement, the Shares and the form of the Registration Statement and the Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby, shall be satisfactory in all respects to counsel to the Underwriters; the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters; and the Representatives shall have received from the Underwriters' counsel, Duane, Morris & Heckscher LLP, a favorable opinion, dated as of the Closing Date and any Option Closing Date, as the case may be, and addressed to the Representatives individually and as the Representatives of the several Underwriters with respect to the due authorization, execution and delivery of this Agreement, that the issuance and sale of the Shares have been duly authorized by the Company and the Selling Stockholders, that when the Offered Shares have been duly delivered against payment therefor as

contemplated by this Agreement, they will be validly issued, fully paid and nonassessable and that the Registration Statement has become effective under the Act.

(c) The NASD shall have indicated that it has no objection to the underwriting arrangements pertaining to the sale of any of the Shares.

(d) The Representatives shall have received copies of the lock-up agreements described in subsection (x) of Section 5(a) and subsection (i) of Section 5(b) signed by those persons set forth on Schedule II annexed hereto.

(e) On the Closing Date and any Option Closing Date, there shall have been delivered to the Representatives a signed opinion of Piper Marbury Rudnick & Wolfe LLP, counsel for the Company ("Company Counsel"), dated as of each such date and addressed to the Representatives individually and as the Representatives of the several Underwriters to the effect that:

(i) The Company has been incorporated and is validly existing and in good standing under the laws of Maryland, with corporate power and authority to own or lease and operate its properties and to conduct its business as described in the Prospectus and to execute, deliver and perform this Agreement. To the knowledge of Company Counsel, the Company does not own any stock or other equity interest in any corporation, partnership or other entity other than the Subsidiaries.

(ii) Each Subsidiary has been duly incorporated, is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation and has the corporate power and authority to own or lease its properties and conduct its business as described in the Prospectus.

(iii) This Agreement has been duly authorized, executed and delivered by the Company.

(iv) The execution, delivery and performance of this Agreement by the Company does not and will not, with or without the giving of notice or the lapse of time, or both, (A) conflict with any terms or provisions of the Charter or By-laws, as amended to the date hereof of each of the Company or the Subsidiaries; (B) to Company Counsel's knowledge result in a material breach of, or constitute a default under, result in the termination or modification of or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the material properties of the Company or any Subsidiary pursuant to, any material indenture, mortgage, deed of trust, contract, commitment or other agreement or instrument, known to Company Counsel, to which the Company or any Subsidiary is a party or by which any of the material properties or assets of the Company or any Subsidiary is bound or subject or (C) violate any law, rule or

regulation applicable to the Company or any Subsidiary, or to Company Counsel's knowledge violate any judgment, order or decree, of any government or governmental agency, instrumentality or court, domestic or foreign, having jurisdiction over the Company or any Subsidiary or any of the material properties of the Company or any Subsidiary.

(v) The Company has the authorized and outstanding capitalization as set forth in the Prospectus. To the knowledge of Company Counsel there are no options or warrants for the purchase of, other outstanding rights to purchase, agreements or obligations to issue or agreements or other rights to convert or exchange any obligation or security into, capital stock of the Company or securities convertible into or exchangeable for capital stock of the Company, except as described in the Registration Statement or the Prospectus.

(vi) The Common Shares outstanding immediately prior to the Closing Date, including the Common Shares to be sold by the Selling Stockholders, have been duly authorized and are validly issued, fully paid and nonassessable; the Employee Options have been duly authorized and validly issued; the Common Shares issuable pursuant to the Employee Options, when issued in accordance with the respective terms thereof, will be duly authorized and validly issued, fully-paid and nonassessable; the Company has reserved a sufficient number of Common Shares for issuance pursuant to the Employee Options, and none of such outstanding Common Shares or Employee Options are, and none of such issuable Common Shares will be, issued in violation of any preemptive rights, known to Company Counsel of any security holder of the Company that have not been waived.

(vii) All of the issued shares of capital stock of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable, and, to the knowledge of Company Counsel, are owned beneficially by the Company free and clear of all liens, security interests, pledges, charges, encumbrances, stockholders agreements, voting trusts, equities or claims of any nature whatsoever except as provided under the Loan Documents.

(viii) The issuance and sale of the Shares by the Company have been duly authorized and, when the Shares have been duly delivered against payment therefor as contemplated by this Agreement, the Shares will be validly issued, fully paid and nonassessable. None of the Shares issued by the Company will be issued in violation of any preemptive rights of any stockholder of the Company pursuant to the Charter or By-laws, as amended to the date hereof, of the Company and, to the knowledge of Company Counsel, there are no contractual preemptive rights that have not been waived that exist with respect to the Shares. The certificates representing the Shares are in proper legal form under, and

conform in all material respects to the requirements of, the MGCL. Neither the filing of the Registration Statement nor the offering or sale of the Shares as contemplated by this Agreement gives any security holder of the Company any rights, other than those which have been waived and those of the Selling Stockholders, for or relating to the registration of any Common Shares and there are no contracts, agreements or understandings known to such counsel between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person.

(ix) No consent, approval, authorization, order, registration, license or permit of any court, government, governmental agency, instrumentality or other regulatory body or official is required for the valid authorization, issuance, sale and delivery by the Company of any of the Shares or for the execution, delivery or performance by the Company of this Agreement, except such as may be required for the registration of the Shares under the Act, the Regulations or the Exchange Act, or for compliance with the applicable state securities or Blue Sky laws, or the By-laws, rules and other pronouncements of the NASD as to which no opinion shall be required.

(x) To Company Counsel's knowledge except as disclosed in the Registration Statement there are no material claims, actions, suits, proceedings, arbitrations, investigations or inquiries pending before, or threatened or contemplated by, any governmental agency, instrumentality, court or tribunal, domestic or foreign, or before any private arbitration tribunal, to which the Company is a party or is threatened to be made a party that, if determined adversely to the Company, would, in any case or in the aggregate, result in any material adverse change in the general affairs, material properties, condition (financial or otherwise), results of operations, stockholders' equity or business of the Company and the Subsidiaries.

(xi) The Registration Statement has become effective under the Act, as of the Effective Date, and, to Company Counsel's knowledge, the SEC has not issued any stop order suspending the effectiveness of the Registration Statement, nor has the SEC instituted or threatened to institute proceedings with respect to any such order. Any and all filings required to be made by Rule 424 and Rule 430A under the Act have been made.

(xii) The Registration Statement and the Prospectus, as of the Effective Date, and each amendment or supplement thereto as of its effective or issue date (except for the financial statements and notes thereto, and related schedules, and other financial, statistical, technical or scientific information, included therein or omitted therefrom, as to which Company Counsel need not express an opinion)

comply as to form in all material respects with the applicable requirements of the Act and Regulations.

(xiii) Assuming application of the net proceeds of the offering in accordance with the Prospectus, the Company is not, and will not be as a result of the consummation of the transactions contemplated by this Agreement, an "investment company" or a company "controlled" by an "investment company" within the meaning of the 1940 Act.

In addition to the matters set forth above, such opinion shall also include a statement to the effect that while Company Counsel has participated in the preparation of the Registration Statement and the Prospectus, including reviews and discussions of the contents thereof, and while such Counsel has no particular expertise and is not expressing any view with respect to the financial statements and notes thereto and related schedules and the other financial, statistical, technical and scientific information contained in the Prospectus, and is not passing upon the accuracy or completeness of the statements contained in the Registration Statement or the Prospectus, other than those specifically referred to in clause (v) of this subsection (e) of this Section 7, in the course of such reviews and discussions, no facts came to its attention that would cause it to have reason to believe that (A) the Registration Statement or any post-effective amendment thereto, on the date it became effective and on the Closing Date or the Option Closing Date, as the case may be, contained any untrue statement of a material fact or omitted any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or that (B) the Prospectus on the Effective Date, on the date it was filed pursuant to Rule 424(b) and on the Closing Date or Option Closing Date, as the case may be, contained any untrue statement of material fact or omitted any material fact necessary to make the statements therein, in light of the circumstances under which made, not misleading.

(xv) Nothing has come to the attention of Company Counsel that causes it to believe that each of the Company and the Subsidiaries does not have sufficient licenses, permits, certifications, registrations, approvals, consents and franchises (collectively, "Permits") required to conduct its business as described in the Prospectus in all material respects.

(xvi) The Common Shares have been approved for inclusion on the ASE.

The foregoing opinion may be limited to the laws of the United States and the State of Maryland and Company Counsel may rely as to certain legal matters on other counsel to the Company provided that, in each case, Company Counsel shall state that

they believe that they and the Underwriters are justified in relying on such other counsel and shall deliver signed copies of any such opinion to the Representatives and as to questions of fact upon the representations of the Company set forth in this Agreement and upon certificates of officers of the Company and of government officials, all of which certificates must be reasonable and satisfactory in form and scope to counsel to the Underwriters provided that, in each case, Company Counsel shall deliver signed copies of any such certificate to the Representatives. As to matters of _____ law relating to the Selling Stockholders included in the opinion of _____ delivered concurrently with the foregoing opinion, Company Counsel shall state that it is reasonable for the Underwriters to rely on such opinion. The foregoing opinion shall also include the opinions set forth in Section 7(i)(iii) and Section 7(i)(v) of this Agreement to the extent based upon U.S. law.

(g) For each of the Selling Stockholders on the Closing Date and any Option Closing Date, there shall have been delivered to the Representatives a signed opinion of counsel satisfactory to the Representatives dated as of each such date and addressed to the Representatives, individually and as the Representatives of the several Underwriters, to the effect that:

(i) The Selling Stockholder has been duly organized and is validly existing in good standing under the laws of the state of its organization.

The Agreement has been duly authorized, executed and delivered by the Selling Stockholder and such execution, delivery and performance does not and will not, with or without the giving of notice or the lapse of time, or both, (A) conflict with any terms or provisions of the organizational documents of such Selling Stockholder, as amended to the date hereof; (B) result in a breach of, or constitute a default under, result in the termination or modification of or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the material properties of the Selling Stockholder pursuant to, any material indenture, mortgage, deed of trust, contract, commitment or other agreement or instrument, known to such counsel upon due inquiry, to which such Selling Stockholder is a party or by which any of the material properties or assets of the Selling Stockholder is bound or subject or (C) violate any law, rule or regulation, or violate any judgment, order or decree, known to such counsel, of any government or governmental agency, instrumentality or court, domestic or foreign, having jurisdiction over the Selling Stockholder or any of the material properties of the Selling Stockholder.

(h) At the Closing Date and any Option Closing Date: (i) the Registration Statement and any post-effective amendment thereto and the Prospectus and any amendments or supplements thereto shall contain all statements that are required to be stated therein in accordance with the Act and the Regulations and in all material respects

shall conform to the requirements of the Act and the Regulations, and neither the Registration Statement nor any post-effective amendment thereto nor the Prospectus and any amendments or supplements thereto shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) since the respective dates as of which information is given in the Registration Statement and any post-effective amendment thereto and the Prospectus and any amendments or supplements thereto, except as otherwise stated therein, there shall have been no material adverse change in the material properties, assets, condition (financial or otherwise), results of operations, stockholders' equity, business or management of the Company and the Subsidiaries taken as a whole from that set forth therein, whether or not arising in the ordinary course of business, other than as referred to in the Registration Statement or the Prospectus; (iii) since the respective dates as of which information is given in the Registration Statement and the Prospectus or any amendment or supplement thereto, there shall have been no transaction, contract or agreement entered into by the Company or any Subsidiary, other than as set forth in the Registration Statement or the Prospectus, that has not been, but would be required to be, set forth in the Registration Statement or the Prospectus and (iv) no action, suit or proceeding at law or in equity shall be pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary that would be required to be set forth in the Prospectus, other than as set forth therein, and no proceedings shall be pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary before or by any federal, state or other commission, board or administrative agency wherein an unfavorable decision, ruling or finding would materially adversely affect the material properties, assets, condition (financial or otherwise), results of operations, stockholders' equity or business of the Company and the Subsidiaries taken as a whole other than as set forth in the Prospectus. The Representatives shall have received certificates of the Chief Executive Officer and the Chief Financial Officer of the Company dated as of the date of the Closing Date or Option Closing Date, as the case may be, and certificates of the Selling Stockholders dated as of the date of the Closing Date or Option Closing Date, as the case may be, and addressed to the Representatives, individually and as the Representatives of the several Underwriters, to the effect that the conditions set forth in this subsection have been satisfied and as to the accuracy and performance as of the Closing Date or the Option Closing Date, as the case may be, of the agreements, representations and warranties of the Company set forth herein and as to the accuracy and performance as of the Closing Date and Option Closing Date, as the case may be, the agreements, representations and warranties of the Selling Stockholder set forth herein.

(i) At the time this Agreement is executed and at the Closing Date and any Option Closing Date, the Representatives shall have received a letter addressed to the Representatives, individually and as the Representatives of the several Underwriters, and in form and substance satisfactory to the Representatives in all respects, including the

non-material nature of the changes or decreases, if any, referred to in clause (iv) below, from Ernst & Young LLP dated as of the date of this Agreement, the Closing Date or any Option Closing Date, as the case may be:

(i) confirming that they are independent public accountants with respect to the Company and its consolidated subsidiaries within the meaning of the Act and the Regulations and stating that the section of the Registration Statement under the caption "Experts" is correct insofar as it relates to them;

(ii) stating that, in their opinion, the consolidated financial statements of the Company, the Subsidiaries audited by them and P&M included in the Registration Statement and in the Prospectus comply in form in all material respects with the applicable accounting requirements of the Act and the Regulations;

(iii) the consolidated financial statements of the Company and the Subsidiaries (including P&M) as of and for the six-month period ended June 30, 2000, were reviewed by them in accordance with the standards established by the American Institute of Certified Public Accountants and based upon their review they are not aware of any material modifications that should be made to such financial statements for them to be in conformity with generally accepted accounting principles, and such financial statements comply as to form in all material respects with the applicable accounting requirements of the Act and the Regulations thereunder;

(iv) stating that, on the basis of specified procedures, not constituting an audit in accordance with generally accepted accounting principles, which included a reading of the unaudited interim consolidated financial statements of the Company and the Subsidiaries (including P&M) for period ended June 30, 2000, a reading of the minutes of the meetings of the stockholders and the Board of Directors of the Company and audit and compensation committees of such Board, if any, and inquiries to certain officers and other employees of the Company who are responsible for financial and accounting matters and other specified procedures and inquiries, nothing has come to their attention that would cause them to believe that (A) the unaudited consolidated financial statements and related schedules of the Company and the Subsidiaries (including P&M) included in the Registration Statement, if any (1) do not comply in form in all material respects with the applicable accounting requirements of the Act and the Regulations or (2) were not fairly presented in conformity with generally accepted accounting principles on a basis substantially consistent with that of the audited consolidated financial statements and related schedules included in the Registration Statement or (B) (1) at a specified date, not more than five business days prior to the date of such letter, there was more than a 10% change in the

capital stock, inventories or short-term or long-term debt of the Company and the Subsidiaries (including P&M) or any decrease (increase) of more than 10% in net current assets, total assets or stockholders' equity compared with the amounts shown in the _____, 2000 consolidated balance sheet of the Company included in the Registration Statement, other than as set forth in or contemplated by the Registration Statement and the Prospectus, or if there was any such change or decrease (increase), setting forth the amount of such change or decrease (increase), and (2) during the period from _____, 2000 to a specified date not more than five business days prior to the date of such letter, there has been any decrease of more than 10% in revenues or any increase of more than 10% in loss before interest income (expense), net and taxes or net loss of the Company and the Subsidiaries on a consolidated basis other than as set forth in or contemplated by the Registration Statement or the Prospectus; and

(v) stating that they have compared specific dollar amounts, percentages, numbers of shares and other information (including pro forma information) pertaining to the Company and the Subsidiaries (including P&M) set forth in the Registration Statement and the Prospectus that have been specified by the Representatives prior to the date of this Agreement, to the extent that such amounts, percentages, numbers and information may be derived from the general accounting or other records of the Company and the Subsidiaries (including P&M), with the results obtained from the application of specified readings, inquiries and other appropriate procedures, which procedures do not constitute an audit in accordance with generally accepted auditing standards, set forth in the letter, and found them to be in agreement.

(vi) in the event that the letters referred to in this Section 7(i) set forth any changes, decreases or increases in the items specified in subsection (v) of this Section 7(i), it shall be a further condition to the obligations of the Underwriters that (A) such letters shall be accompanied by a written explanation by the Company as to the significance thereof, unless the Representatives deem such explanation unnecessary, and (B) such changes, decreases or increases do not, in their sole judgment, make it impractical or inadvisable to proceed with the purchase, sale and delivery of the Shares being delivered at the Closing Date or any Option Closing Date, as the case may be, as contemplated by the Registration Statement, as amended as of the date of such letter.

In addition the Representatives shall have received from Ernst & Young LLP a letter addressed to the Company and made available for the use of the Underwriters stating that their review of the Company's system of internal accounting controls, to the extent they deemed necessary in establishing the scope of their examination of the Company's consolidated financial statements as of December 31, 1999, did not disclose any weaknesses in internal controls that they considered to be substantial or material weaknesses.

(k) There shall have been duly tendered to the Representatives for the respective accounts of the Underwriters certificates representing all of the Shares to be purchased by the Underwriters on the Closing Date or any Option Closing Date, as the case may be.

(l) At the Closing Date and any Option Closing Date, the Representatives shall have been furnished such additional documents and certificates as they shall reasonably request.

(m) No action shall have been taken by the NASD the effect of which is to make it improper, at any time prior to the Closing Date or any Option Closing Date, for members of the NASD to execute transactions as principal or as agent in the Shares or to trade or deal in the Shares, and no proceedings for the purpose of taking such action shall have been instituted or shall be pending or, to the Company's or the Representatives' knowledge, shall be threatened by the NASD.

If any condition to the Underwriters' obligations hereunder to be fulfilled prior to or at the Closing Date or any Option Closing Date, as the case may be, is not fulfilled, the Representatives may on behalf of the several Underwriters terminate this Agreement or, if they so elect, waive any such conditions which have not been fulfilled or extend the time for their fulfillment.

8. Indemnification.

(a) The Company shall indemnify and hold harmless each Underwriter, and each person, if any, who controls each Underwriter within the meaning of the Act or the Exchange Act, against any and all loss, liability, claim, damage and expense whatsoever, whether joint or several, to which such Underwriter may become subject, under the Act or otherwise, including, but not limited to, any and all expense whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever or in connection with any investigation or inquiry of, or action or proceeding that may be brought against, the respective indemnified parties, arising out of or based upon any untrue statements or alleged untrue statements of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the foregoing indemnity of the Company (i) shall not apply in respect of any statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment thereto or supplement thereof, or in any application or in any communication to the SEC, as the case may be,

and (ii) with respect to any Preliminary Prospectus, shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages, liabilities or expenses purchased the Shares that are the subject thereof (or to the benefit of any person controlling such Underwriter) if at or prior to the written confirmation of the sale of such Shares a copy of an amended Preliminary Prospectus or the Prospectus (or the Prospectus as amended or supplemented) was not sent or delivered to such person and the untrue statement or omission of a material fact contained in such Preliminary Prospectus was corrected in the amended Preliminary Prospectus or Prospectus (or the Prospectus as amended or supplemented). The Company will not, without the prior written consent of the Underwriters, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding (or related cause of action or portion thereof) in respect of which indemnification may be sought hereunder, whether or not any Underwriter is a party to such claim, action, suit or proceeding, unless such settlement, compromise or consent includes an unconditional release of each Underwriter from all liability arising out of such claim, action, suit or proceeding (or related cause of action or portion thereof). This indemnity agreement will be in addition to any liability the Company may otherwise have.

(b) Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company, each of the directors of the Company, each of the officers of the Company who shall have signed the Registration Statement and each other person, if any, who controls the Company within the meaning of the Act or the Exchange Act to the same extent as the foregoing indemnities from the Company to the several Underwriters, but only with respect to any loss, liability, claim, damage or expense resulting from statements or omissions, or alleged statements or omissions, if any, made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any amendment thereto or supplement thereof or any application in reliance upon, and in conformity with written information furnished to the Company by any Underwriter through the Representatives or with respect to any Underwriter by or on behalf of such Underwriter expressly for use in any Preliminary Prospectus, the Registration Statement or the Prospectus or any amendment thereto or supplement thereof or any application, as the case may be, or from the failure of any Underwriter at or prior to the written confirmation of the sale of Shares to send or deliver a copy of an amended Preliminary Prospectus or the Prospectus (or the Prospectus as amended or supplemented) to the person asserting any such losses, claims, damages, liabilities or expenses who purchased the Shares that are the subject thereof and the untrue statement or omission of a material fact contained in such Preliminary Prospectus was corrected in the amended Preliminary Prospectus or Prospectus (or the Prospectus as amended or supplemented). This indemnity agreement will be in addition to any liability which such Underwriter may otherwise have.

(c) If any action, inquiry, investigation or proceeding is brought against any person in respect of which indemnity may be sought pursuant to any of the two preceding paragraphs, such person (hereinafter called the "indemnified party") shall, promptly after

formal notification of, or receipt of service of process for, such action, inquiry, investigation or proceeding, notify in writing the party or parties against whom indemnification is to be sought (hereinafter called the "indemnifying party") of the institution of such action, inquiry, investigation or proceeding and the indemnifying party, upon the request of the indemnified party, shall assume the defense of such action, inquiry, investigation or proceeding, including the employment of counsel, reasonably satisfactory to such indemnified party, and payment of expenses. No indemnification provided for in this Section 8 shall be available to any indemnified party who shall fail to give such notice if the indemnifying party does not have knowledge of such action, inquiry, investigation or proceeding and shall have been materially prejudiced by the failure to give such notice, but the omission so to notify the indemnifying party shall not relieve the indemnifying party otherwise than under this Section 8. Such indemnified party or controlling person shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such action or the indemnifying party shall not have employed counsel, within a reasonable period of time, to have charge of the defense of such action, inquiry, investigation or proceeding or such indemnified party or parties shall have been advised by counsel that there is a conflict of interest that would prevent counsel to the indemnifying party from representing both parties, in any of which events the reasonable fees and expenses of such counsel shall be borne by the indemnifying party. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate counsel, in addition to one local counsel in each jurisdiction in which any proceeding may be brought, for all indemnified parties. In the case of any such separate counsel for the Underwriters, such firm shall be designated in writing by the Representatives. Expenses covered by the indemnification in this subsection (c) of this Section 8 shall be paid by the indemnifying party as they are incurred by the indemnified party. Anything in this subsection to the contrary notwithstanding, the indemnifying party shall not be liable for any settlement of any such claim effected without its written consent. The indemnifying party shall promptly notify the indemnified party of the commencement of any litigation, inquiry, investigation or proceeding against the indemnifying party or any of its officers or directors in connection with the issue and sale of any of the Shares or in connection with such Preliminary Prospectus, Registration Statement or Prospectus, or any amendment thereto or supplement thereof or any such application.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsections (a) or (b) of this Section 8 in respect of any losses, liabilities, claims, damages or expenses (or actions, inquiries, investigations or proceedings in respect thereof) referred to therein except either by reason of the proviso set forth in subsection (a) or the failure to give notice as

required in subsection (c) (provided that the indemnifying party does not have knowledge of the action, inquiry, investigation or proceeding and has been materially prejudiced by the failure to give such notice), then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, liabilities, claims, damages or expenses (or actions, inquiries, investigations or proceedings in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or the indemnified party failed to give the notice required under subsection (c) then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, liabilities, claims or reasonable expenses (or actions, inquiries, investigations or proceedings in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or reasonable expenses (or actions, inquiries, investigations or proceedings in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

9. Representations and Agreements to Survive Delivery. Except as the context otherwise requires, all representations, warranties and agreements contained in this Agreement shall be deemed to be representations, warranties and agreements at the Closing Date and any Option Closing Date; and such representations, warranties and agreements of the Underwriter, the Company and the Selling Stockholders, including without limitation the indemnity and contribution agreements contained in Section 8 hereof and the agreements contained in Sections 6, 9, 10 and 13 hereof, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Underwriter or any controlling person thereof, and shall survive delivery of the Shares and termination of this Agreement, whether before or after the Closing Date or any Option Closing Date.

10. Effective Date of this Agreement and Termination Thereof.

(a) This Agreement shall become effective immediately as to Sections 6, 8, 9, 10 and 13 and, as to all other provisions, (i) if at the time of execution and delivery of this Agreement the Registration Statement has not become effective, at 11:00 a.m., New York time, on the first business day following the Effective Date, or (ii) if at the time of execution and delivery of this Agreement the Registration Statement has been declared effective, at 11:00 a.m., New York time, on the date of execution of this Agreement; but this Agreement shall nevertheless become effective at such earlier time after the Registration Statement becomes effective as the Representatives may determine by notice to the Company or by release of any of the Shares for sale to the public. For the purposes of this Section 10, the Shares shall be deemed to have been so released upon the release for publication of any newspaper advertisement relating to the Shares or upon the release by the Representatives of telegrams (i) advising the Underwriters that the Shares are released for public offering or (ii) offering the Shares for sale to securities dealers, whichever may occur first. The Representatives may prevent the provisions of this Agreement (other than those contained in Sections 6, 8, 9, 10 and 13) from becoming effective without liability of any party to any other party, except as noted below, by giving the notice indicated in subsection (c) of this Section 10 before the time the other provisions of this Agreement become effective.

(b) The Representatives shall have the right to terminate this Agreement at any time prior to the Closing Date as provided in Sections 7 and 11 hereof or if any of the following have occurred: (i) since the respective dates as of which information is given in the Registration Statement and the Prospectus, any material adverse change or any development involving a prospective material adverse change in or affecting the condition, financial or otherwise, of the Company and the Subsidiaries taken as a whole, or the earnings, business affairs, management or business prospects of the Company and the Subsidiaries, whether or not arising in the ordinary course of business; (ii) any outbreak of hostilities or other national or international calamity or crisis or change in economic, political or financial market conditions if such outbreak, calamity, crisis or

change would, in the Representatives' reasonable judgment, have a material adverse effect on the Company, the financial markets of the United States or the offering or delivery of the Shares; (iii) suspension of trading generally in securities on the New York Stock Exchange, the American Stock Exchange or the over-the-counter market or limitation on prices (other than limitations on hours or numbers of days of trading) for securities or the promulgation of any federal or state statute, regulation, rule or order of any court or other governmental authority which in the Representatives' reasonable opinion materially and adversely affects trading on such Exchange or the over-the-counter market; (iv) the enactment, publication, decree or other promulgation of any federal or state statute, regulation, rule or order of any court or other governmental authority which in the Representatives' reasonable opinion materially and adversely affects or will materially or adversely affect the business or operations of the Company and the Subsidiaries; (v) declaration of a banking moratorium by federal authorities; (vi) the taking of any action by any federal, state or local government or agency in respect of its monetary or fiscal affairs which in the Representatives' reasonable opinion has a material adverse effect on the securities markets in the United States; (vii) declaration of a moratorium in foreign exchange trading by major international banks or other institutions or (viii) trading in any securities of the Company shall have been suspended or halted by the NASD or the SEC.

(c) If the Representatives elect to prevent this Agreement from becoming effective or to terminate this Agreement as provided in this Section 10, the Representatives shall notify the Company and the Selling Stockholders thereof promptly by telephone, telex, telegraph, telegram or facsimile, confirmed by letter.

11. Default by an Underwriter.

(a) If any Underwriter or Underwriters shall default in its or their obligation to purchase Offered Shares or Optional Shares hereunder, and if the Offered Shares or Optional Shares with respect to which such default relates do not exceed the aggregate of 10% of the number of Offered Shares or Optional Shares, as the case may be, that all Underwriters have agreed to purchase hereunder, then such Offered Shares or Optional Shares to which the default relates shall be purchased severally by the non-defaulting Underwriters in proportion to their respective commitments hereunder.

(b) If such default relates to more than 10% of the Offered Shares or the Optional Shares, as the case may be, the Representatives may in their discretion arrange for another party or parties (including a non-defaulting Underwriter) to purchase such Offered Shares or Optional Shares to which such default relates, on the terms contained herein. In the event that the Representatives do not arrange for the purchase of the Offered Shares or the Optional Shares to which a default relates as provided in this Section 11, this Agreement may be terminated by the Representatives or by the Company, without liability on the part of the several Underwriters (except as provided in Section 8 hereof) or the Company or the Selling Stockholders (except as provided in)

Sections 6 and 8 hereof), but nothing herein shall relieve a defaulting Underwriter of its liability, if any, to the other several Underwriters and to the Company or the Selling Stockholders for damages occasioned by its default hereunder.

(c) If the Offered Shares or Optional Shares to which the default relates are to be purchased by the non-defaulting Underwriters, or are to be purchased by another party or parties as aforesaid, the Representatives or the Company shall have the right to postpone the Closing Date or the Option Closing Date, as the case may be, for a reasonable period but not in any event exceeding seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus or in any other documents and arrangements, and the Company agrees to file promptly any amendment to the Registration Statement or supplement to the Prospectus which in the opinion of counsel for the Underwriters may thereby be made necessary. The terms "Underwriters" and "Underwriter" as used in this Agreement shall include any party substituted under this Section 11 with like effect as if it had originally been a party to this Agreement with respect to such Offered Shares or Optional Shares.

12. Information Furnished by Underwriters. The statement set forth and under the caption "Underwriting" in any Preliminary Prospectus and the Prospectus constitutes the written information furnished by or on behalf of any Underwriter referred to in subsection (ii) of Section 1(a) hereof and subsection (a) and (b) of Section 8 hereof.

13. Notices. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and, if sent to any Underwriter, shall be mailed, delivered, telexed, telegraphed, telegraphed or telecopied and confirmed to such Underwriter, c/o ING Barings LLC, 55 East 52nd Street, New York, New York, 10055, Attention: John Bolebruch, with a copy to Duane, Morris & Heckscher LLP, 305 North Front Street, P.O. Box 1003, Harrisburg, Pennsylvania 17108-1003, Attention: Scott C. Penwell, Esquire; if sent to the Company or the Selling Stockholders shall be mailed, delivered, telexed, telegraphed, telegraphed or telecopied and confirmed to FTI Consulting, Inc., 2021 Research Drive, Annapolis, Maryland 21401, Attention: Jack B. Dunn, IV, with a copy to Piper Marbury Rudnick & Wolfe LLP, 6225 Smith Avenue, Baltimore, Maryland 21209-3600, Attention: Richard C. Tilghman, Esquire.

14. Parties. This Agreement shall inure solely to the benefit of, and shall be binding upon, the several Underwriters, the Company, the Selling Stockholders and the controlling persons, directors and officers referred to in Section 8 hereof, and their respective successors, assigns, heirs and legal representatives, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provision herein contained. The terms "successors" and "assigns" shall not include any purchaser of the Shares merely because of such purchase.

15. Definition of Business Day. For purposes of this Agreement, "business day" means any day on which the American Stock Exchange, Inc. is opened for trading.

16. Counterparts. This Agreement may be executed in one or more counterparts and all such counterparts will constitute one and the same instrument.

17. Waiver of Jury Trial. The Company, the Selling Stockholders and the Underwriters each hereby irrevocably waive any right they may have to a trial by jury in respect of any claim based upon or arising out of this Agreement or the transactions contemplated hereby.

18. Consent to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("Related Proceedings") may be instituted in the federal courts of the United States of America located in the City and County of New York or the courts of the State of New York in each case located in the City and County of New York (collectively, the "Specified Courts"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "Related Judgment"), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum.

19. Miscellaneous. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to contracts made and to be performed within the State of New York. This Agreement may be executed in one or more counterparts, and if executed in more than one counterpart, the executed counterparts shall together constitute a single instrument. The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

Time shall be of the essence of this Agreement.

This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof.

If any provision or portion of any provision of the Agreement, or the application of any such provision or any portion thereof to any party or circumstances, shall be held invalid or unenforceable, the remaining portion of such provision and the remaining portion of such provision and the remaining provisions of this agreement, and the application of such provision or portion of such provision as is held invalid or unenforceable to any parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and such remaining portion of such provision and the remaining provisions of this Agreement shall continue to be valid and in full force and effect.

If the foregoing correctly sets forth the understanding among the Underwriters, the Company and the Selling Stockholders, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement by and among the Underwriters, the Company and the Selling Stockholders.

Very truly yours,

FTI CONSULTING, INC.

By: _____
Jack B. Dunn, IV, Chief Executive
Officer and Chairman of the Board

SELLING STOCKHOLDERS

By: _____
Attorney-in-Fact

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

ING BARINGS LLC

By: ING BARINGS LLC Acting severally on behalf of itself and the several Underwriters named in Schedule I hereto

By: _____
Authorized Officer

SCHEDULE I

Schedule of Underwriters

Underwriter	Number of Offered Shares to be Purchased
-----	-----
ING Barings LLC.....	_____
Janney Montgomery Scott LLC.....	=====
Total	

SCHEDULE II

List of Persons Who Are to Deliver 90-Day Lock-Up Agreements
Called for Sections 5(a)(x), 5(b)(i) and 7(d)

Name

Jack B. Dunn, IV
Stewart J. Kahn
Theodore I. Pincus
Patrick A. Brady
Glenn A. Baker
Barry M. Monheit
Robert Manzo
Michael Policano
Scott S. Binder
James A. Flick, Jr.
Peter F. O'Malley
Dennis J. Shaughnessy
George P. Stamas

SCHEDULE III

Optional Shares

Name	Shares
----	-----
FTI Consulting, Inc.	382,526
Jack B. Dunn, IV	50,000
Stewart J. Kahn	50,000
Barry M. Monheit	50,000
Robert Manzo	50,000
Michael Policano	50,000
Dennis A. Guenther	7,833
Christopher D. Kent	8,500
John C. Klick	8,500
Michael R. Baranowski	7,500
Laureen M. Ryan	2,641

PRICE DETERMINATION AGREEMENT

-----, 2000

ING BARINGS LLC
JANNEY MONTGOMERY SCOTT LLC
As Representatives of the
several Underwriters
55 East 52nd Street
New York, New York 10055

Dear Sirs:

Reference is made to the Underwriting Agreement, dated _____, 2000 (the "Underwriting Agreement"), among FTI Consulting, Inc., a Maryland corporation (the "Company"), certain of the Company's stockholders who are listed in the Company's Registration Statement (as defined in the Underwriting Agreement) (the "Selling Stockholders") and the several Underwriters named in Schedule I thereto or hereto (the "Underwriters"), for whom ING Barings LLC and Janney Montgomery Scott LLC are acting as representatives (the "Representatives"). The Underwriting Agreement provides for the purchase by the Underwriters from the Company and Selling Stockholders, subject to the terms and conditions set forth therein, of an aggregate _____ of shares (the "Offered Shares") of the Company's Common Stock, \$.01 par value per share (the "Common Shares") and for the purchase by the Underwriters, at their sole option to cover over-allotments in the sale of the Offered Shares, from the Company, subject to the terms and conditions set forth therein, of an aggregate of _____ Common Shares (the "Optional Shares"). This Agreement is the Price Determination Agreement referred to in the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the undersigned agree with the Representatives as follows:

- (i) The public offering price per share for the Offered Shares and the Optional Shares shall be \$ _____.
- (ii) The purchase price per share for the Offered Shares and, if the Representatives shall exercise their option as to the Optional Shares, for the Optional Shares to be paid by the several Underwriters shall be \$ _____ representing

an amount equal to the public offering price set forth above,
less \$ _____ per share.

The Company represents and warrants to each of the Underwriters that the representations and warranties of the Company set forth in Section 1(a) of the Underwriting Agreement are accurate as though expressly made at and as of the date hereof.

The Selling Stockholders represent and warrant to each of the Underwriters that the representations and warranties of the Selling Stockholders set forth in Section 1(b) of the Underwriting Agreement are accurate as though expressly made at and as of the date hereof.

As contemplated by the Underwriting Agreement, attached as Schedule I is a completed list of the several Underwriters, which shall be a part of this Agreement and the Underwriting Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

If the foregoing is in accordance with your understanding of the agreement among the Underwriters, the Company and the Selling Stockholders, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts and together with the Underwriting Agreement, shall be a binding agreement among the Underwriters, the Company and the Selling Stockholders in accordance with its terms and the terms of the Underwriting Agreement.

Very truly yours,

FTI CONSULTING, INC.

By: _____
Jack B. Dunn, Chief Executive
Officer and Chairman of the
Board

SELLING STOCKHOLDERS

By: _____
Attorney-in-Fact

Confirmed as of the date first above mentioned:

ING BARINGS LLC
JANNEY MONTGOMERY SCOTT LLC

By: ING BARINGS LLC Acting severally and on behalf of and the several
Underwriters named in Schedule I hereto

By: _____
Authorized Officer

POWER OF ATTORNEY AND CUSTODY AGREEMENT

[Registrar]

As Attorneys-in-Fact
c/o FTI Consulting, Inc.
2021 Research Drive
Annapolis, MD 21401
Ladies and Gentlemen:

The undersigned is a shareholder of FTI Consulting, Inc., a Maryland corporation (the "Company"), who proposes to sell certain shares (the "Shares") of Common Stock of the Company (the "Common Stock") to a group of underwriters (the "Underwriters") represented by ING Barings LLC and Janney Montgomery Scott LLC (together, the "Representatives"). The undersigned and the other shareholders of the Company who propose to sell Common Stock to the Underwriters are referred to herein collectively as the "Sellers."

The Underwriters propose to offer shares of Common Stock (including the Shares) to the public. The undersigned understands that, in connection with such offering, the Company has filed a Registration Statement on Form S-2 (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") to register the shares of Common Stock (including the Shares) to be offered under the Securities Act of 1933, as amended (the "Act").

The undersigned hereby acknowledges receipt of a copy of the Registration Statement dated , 2000 and a copy of a draft as of , 2000 of an Underwriting Agreement by and among the Company, the Sellers and the Underwriters (the "Draft Underwriting Agreement").

i. Appointment of Attorney-in-Fact. In connection with the foregoing, the

undersigned hereby constitutes and appoints each of and, in the event is unwilling or unable to serve, , the true and lawful attorney-in-fact (each herein referred to as the "Attorney-in-Fact") of the undersigned, with full power and authority to act in the name of, for and on behalf of the undersigned with respect to all matters arising in connection with the sale to the Underwriters of the number of Shares set forth opposite the name of the undersigned at the end of this Agreement, including, without limitation, the power and authority:

(i) to sell, assign and transfer to the Underwriters the Shares represented by the certificate(s) deposited by the undersigned with the Custodian hereunder, at such purchase price

per Share to be paid by the Underwriters as the Attorney-in-Fact shall determine in his sole and absolute discretion, subject to the limitation that such purchase price be the same price per share of Common Stock as is paid by the Underwriters to the Company pursuant to the Underwriting Agreement (as hereafter defined), and to duly endorse (in blank or otherwise) the certificate or certificates representing such Shares or a stock power or powers with respect thereto;

(ii) for the purpose of effecting such sale, to execute and deliver an Underwriting Agreement by and among the Company, the Sellers and the Underwriters substantially in the form of the Draft Underwriting Agreement, with such changes therein as the Attorney-in-Fact, in his sole and absolute discretion, may determine to be necessary or appropriate (the "Underwriting Agreement"), providing for (i) the sale pursuant thereto by the undersigned of the Shares in accordance with such terms, including the purchase price to be paid by the Underwriters, as the Attorney-in-Fact shall determine (subject to the limitation aforesaid), (ii) the indemnification of and contribution to certain expenses of the Underwriters by the Sellers in certain events, (iii) the restriction of the undersigned from selling or otherwise disposing of, or exercising any registration rights with respect to, any Shares of Common Stock of the Company (other than the Shares) from the date hereof for a period of days after the effective date of the Registration Statement without the prior written consent of the Representatives, (iv) the making of all representations and warranties provided in the Underwriting Agreement, and (v) other provisions concerning the public offering of the Shares by the Underwriters, the execution and delivery of the Underwriting Agreement by the Attorney-in-Fact to be conclusive evidence with respect to his approval thereof, and to carry out and comply with each and all of the provisions of the Underwriting Agreement;

(iii) in his or her sole and absolute discretion, to exercise any power conferred upon and to take any action authorized or required to be taken by the Sellers pursuant to the Underwriting Agreement, and, subject to authority otherwise specifically reserved to the Custodian (as hereafter defined) under this Agreement, to give such instructions to the Custodian as the Attorney-in-Fact may determine with respect to (i) the transfer on the record books of the Company of the Shares in order to effect such sale (including the names in which new certificates for the Shares are to be issued and the denominations thereof), (ii) the delivery by the Custodian to or for the account of the Underwriters of the certificates for the Shares against receipt of the purchase price to be paid therefor, (iii) the payment out of the proceeds of any sale to the Underwriters of the expenses, if any, to be borne by the undersigned pursuant to the Underwriting Agreement, if any, (iv) the remittance to the undersigned of the balance of the proceeds from any sale of the Shares sold by the undersigned, and (v) the return to the undersigned of new certificates representing the number of Shares, if any, represented by the certificate(s) deposited with the Custodian which are in excess of the number of Shares sold by the undersigned to the Underwriters;

(iv) to retain legal counsel in connection with any and all matters referred to herein;

(v) to make, execute, acknowledge and deliver all such other contracts, orders, receipts, notices, requests, consents, instructions, certificates, letters and other writings (including communications to the SEC, the National Association of Securities Dealers, Inc. (the "NASD") and state securities commissions) and amendments to the

Underwriting Agreement, and to take all action that the Attorney-in-Fact may consider necessary or appropriate in connection with or to carry out the sale of the Shares to the Underwriters as fully as the undersigned could if then personally present and acting; and

(vi) to make payment, on behalf of and for the account of the undersigned, all costs and expenses payable by the undersigned pursuant to the provisions of the Underwriting Agreement or otherwise incurred and deemed appropriate by the Attorney-in-Fact, including any applicable stock transfer taxes chargeable to the undersigned and any fees and expenses of the Custodian, out of and to the extent of funds available from the sale of the Shares (provided, however, that the Attorney-in-Fact shall not have any personal liability to make such payments out of other funds), all in the sole and absolute discretion of the Attorney-in-Fact (the undersigned hereby expressly promising to repay the Attorney-in-Fact for any such payments made on behalf and for the account of the undersigned by the Attorney-in-Fact).

Without limiting the foregoing authority, the Attorney-in-Fact is authorized to (i) request on behalf of the undersigned acceleration of the Registration Statement relating to the aforementioned offering of Common Stock and (ii) advise the SEC of the reason the undersigned is selling the Shares.

ii. Appointment of Custodian; Deposit of Securities; Instructions

to the Company.

(i) The undersigned hereby appoints _____ to act as the custodian (the "Custodian") of certificates representing the Shares on the terms and subject to the conditions set forth in this Agreement.

(ii) The undersigned herewith delivers to the Custodian a certificate or certificates representing the Shares, in negotiable form (with signatures guaranteed by a commercial bank or trust company or by a firm that is a member of a national securities exchange or the NASD, unless the Company has delivered an indemnity agreement covering transfers of such shares that is reasonably satisfactory to the Company's transfer agent). The certificate(s) are to be held by the Custodian for the account of the undersigned and are to be disposed of by the Custodian for the account of the undersigned and are to be disposed of by the Custodian in accordance with this Agreement. Such certificate(s) are listed on the last page of this Agreement.

(iii) When delivered to the Custodian, the undersigned's certificate(s), together with certificates of the other Sellers, will be accompanied by written instructions from the Attorney-in-Fact to the Company to (i) issue a new stock certificate evidencing the Shares being sold and, upon such issuance, to deliver such new certificate to the Custodian and (ii) issue in the name of the undersigned and deliver to the Custodian, for the undersigned, a new stock certificate(s) evidencing the Shares, if any, not being sold to the Underwriters.

(iv) The undersigned hereby authorizes and directs the Custodian to hold the certificate(s) deposited herewith in its custody, with full power and in the name of, for and on behalf of the undersigned:

1) to instruct the Company's transfer agent to issue certificates representing the Shares in accordance with the directions of the Underwriters, and to permit inspection and packaging of such certificates by the Underwriters as provided in the Underwriting Agreement;

2) to deliver the Shares to the Underwriters in accordance with the Underwriting Agreement, and to deliver, or cause to be delivered, certificates representing the Shares to the Underwriters on the Closing Date fixed in accordance with the Underwriting Agreement against receipt by the Attorney-in-Fact of the consideration provided for in the Underwriting Agreement;

3) to determine, in his or her sole and absolute discretion, whether and the time and times when, the purpose for, and the manner in which any power conferred herein to the Custodian shall be exercised, and the conditions, provisions and covenants of any instrument or document which may be executed by the Custodian pursuant hereto; and

4) to do all things and perform all acts pursuant to the terms of this Agreement as the Custodian may in his or her sole and absolute discretion deem appropriate, including, without limitation, the execution and delivery of all certificates, receipts, instruments, letters of transmittal and other documents and papers required, contemplated by, or deemed by the Custodian appropriate in connection with this Agreement to the Underwriters, the Company's transfer agent or any other person, and the employment of such counsel or other person or firms as the Custodian in his or her sole and absolute discretion shall deem necessary.

iii. Representations, Warranties and Covenants. The undersigned

hereby represents, warrants, covenants and agrees that:

(i) The undersigned has read the representations and warranties contained in the Draft Underwriting Agreement applicable to the undersigned and understands the same, confirms that the same are true and correct, and hereby authorizes the Attorney-in-Fact, acting on behalf of the undersigned, to make such representations and warranties to the Underwriters in form or substance as provided therein, with such additions to and changes in the form of the Draft Underwriting Agreement as the Attorney-in-Fact in his or her sole and absolute discretion shall determine;

(ii) The undersigned has read the Draft Underwriting Agreement and understands the same, and hereby authorizes the Attorney-in-Fact to enter into the Underwriting Agreement with the Underwriters on behalf of the undersigned, subject to any limitations on the price to be paid for the Shares set forth herein;

(iii) To assure compliance with Rule 10b-6 under the Securities Exchange Act of 1934, as amended, the undersigned will not directly or indirectly make bids for or purchases of or induce bids for or purchases of any shares of Common Stock of the Company until the distribution of all shares of Common Stock (including the Shares) being sold in the public offering has been completed;

(iv) If requested, the undersigned will furnish to the Attorney-in-Fact a letter, addressed to the SEC, setting forth the purpose or purposes for which the undersigned is selling the Shares;

(v) All consents, approvals, authorizations and orders necessary for the execution and delivery by the undersigned of this Agreement and the Underwriting Agreement, and for the sale and delivery of the Shares to be sold by the undersigned under the Underwriting Agreement, have been obtained and the undersigned has full right, power and authority to enter into this Agreement, to authorize the Attorney-in-Fact to enter into the Underwriting Agreement and to sell, assign, transfer and deliver the Shares;

(vi) The performance of this Agreement and the Underwriting Agreement, and the consummation of the transactions herein and therein contemplated, will not result in a breach or violation of any of the terms or provisions of or constitute a default under any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the undersigned is a party or by which the undersigned or the property of the undersigned is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the undersigned or the property of the undersigned;

(vii) The undersigned has, and immediately prior to the Closing Date (as such term is defined in the Underwriting Agreement) the undersigned will have, valid, marketable title to the Shares, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest other than pursuant to this Agreement and the Underwriting Agreement; and upon delivery of such Shares hereunder and payment of the purchase price as herein contemplated, each of the Underwriters will obtain valid, marketable title to the Shares purchased by it from the undersigned, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest, including any liability for estate or inheritance taxes, or any liability to or claims of any creditor, devisee, legatee or beneficiary of the undersigned;

(viii) The undersigned has carefully read the prospectus included in the Registration Statement and will carefully read each prospectus contained in any amendment to the Registration Statement upon receipt thereof from the Company (such prospectus and each prospectus contained in any amendment, including any post-effective amendment, to the Registration Statement through and after the effective date of the Registration Statement are collectively referred to herein as the "Prospectus") and hereby represents and warrants that all information relating to the undersigned (including, without limitation, the information which is set forth in the Prospectus under "Principal and Selling Shareholders") is and will be accurately set forth;

(ix) Neither the undersigned nor, to the best of the undersigned's knowledge, any associate of the undersigned, is a member of the NASD; the undersigned does not own stock or other securities of any NASD member (other than stock or securities purchased in the open market); and the undersigned has not made any outstanding subordinated loan to any NASD member;

(x) The undersigned has not distributed and will not distribute any prospectus or other offering material in connection with the offering and sale of the Common Stock other than the Prospectus or other material permitted by the Act;

(xi) The undersigned will not directly or indirectly offer to sell, sell, contract to sell or otherwise transfer or dispose of, any Common Stock, any options or warrants to purchase Common Stock or any securities convertible into or exchangeable for Common

Stock owned by the undersigned or with respect to which the undersigned has the power of disposition within ____ days after the effective date of the Registration Statement (otherwise than in private transactions to the undersigned's spouse, children, descendants, parents or grandparents or to a trust for the benefit of one or more of such persons, provided that each transferee and other person acquiring an interest in any Common Stock during such ____ day period agrees in writing to be bound by the provisions of this letter agreement), other than sales made pursuant to the Underwriting Agreement or with the prior written consent of the Representatives; and

(xii) The undersigned has not taken and will not take, directly or indirectly, any action designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

iv. Termination of Agreement.

(i) This Agreement and all authority hereby conferred are granted and conferred in recognition of the interests of the Underwriters, the Company and the other Sellers, in consideration of those interests and for the purpose of assuring completion of the transactions contemplated by the Underwriting Agreement and this Agreement. This Agreement is coupled with an interest and is irrevocable and all authority hereby conferred shall be irrevocable and shall not be terminated by any act of the undersigned or by operation of law, whether by death or the occurrence of any other event; if after the execution hereof the undersigned shall die or any other such event shall occur before the completion of the transactions contemplated by the Underwriting Agreement and this Agreement, the Attorney-in-Fact and the Custodian are nevertheless authorized and directed to complete all of such transactions as if such death or other event had not occurred and regardless of notice thereof.

(ii) Notwithstanding the foregoing, if the Underwriting Agreement shall not be entered into, or if all of the transactions contemplated by the Underwriting Agreement and this Agreement, including the sale of the Shares, are not completed on or before November 30, 2000 then from and after such date the undersigned shall have the power, by giving written notice to each Attorney-in-Fact, to terminate this Agreement, subject, however, to all lawful action done or performed by the Attorney-in-Fact pursuant hereto prior to the actual receipt of such notice.

v. Limitation of Liability; Indemnification. The undersigned

agrees that whenever the Attorney-in-Fact or the Custodian may obtain the advice of any such counsel as either shall select in connection with any matter arising under the Underwriting Agreement or this Agreement, the Attorney-in-Fact or Custodian shall not be liable for any action taken or omitted in accordance with such advice. The undersigned agrees to indemnify and hold harmless the Attorney-in-Fact and Custodian against any and all losses, claims, damages or liabilities (including all costs, legal and other expenses) incurred as a result of any action taken or omitted by the Attorney-in-Fact or Custodian in accordance with the Underwriting Agreement or this Agreement (including, without limitation, the establishment of the price under the Underwriting Agreement), whether or not under the advice of counsel, except with respect to any losses, claims, damages or liabilities which shall be finally adjudicated to be the result of gross negligence or willful bad faith of the Attorney-in-Fact or Custodian, respectively.

vi. Applicable Law. The validity, enforceability,

interpretation and construction of this Agreement shall be determined in accordance with the laws of the State of New York without regard to conflicts of laws principles.

vii. Successors and Assigns. This Agreement shall inure to the

benefit of, and shall be binding upon, the undersigned and the undersigned's heirs, executors, administrators, successors and assigns, as the case may be.

viii. Return of Undelivered Shares. If the Shares are not

accepted by the Underwriters against payment therefor in accordance with the terms and provisions of the Underwriting Agreement, the Underwriting Agreement shall be otherwise terminated pursuant to the provisions thereof, or the undersigned shall terminate this Agreement and in accordance with Section 4(b) hereof, the Custodian shall promptly return to the undersigned the certificate(s) referred to in Section 2(b) of this Agreement and held by him or her for the account of the undersigned hereunder.

ix. Counterparts. This Agreement may be executed in any

number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

x. Ownership of Shares. Until delivery of the consideration

provided for in the Underwriting Agreement has been made to the Attorney-in-Fact by or for the account of the Underwriters, the undersigned shall remain the owner of the Shares and shall have all rights thereto which are not inconsistent with this Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney and Custody Agreement to be executed as of this _____ day of _____, 2000.

SELLER

(Print Name)

(Signature)

(Signature(s) must correspond with either the name(s) in which the deposited certificate(s) representing Shares were issued or, if different, the name of the beneficial owner with investment discretion over the Shares.)

The certificate(s) representing shares of Common Stock delivered herewith to the Custodian by the above Seller pursuant to this Power of Attorney and Custody Agreement are identified as follows:

Stock Certificate Number	Total Number of Shares of Common Stock Represented by Certificate	Number of Shares to be Sold to Underwriters from such Certificate
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The undersigned, as Custodian, hereby acknowledges receipt of the certificate(s) above identified, to be held and disposed of pursuant to the directions in this Power of Attorney and Custody Agreement and hereby agrees to act as Custodian in accordance with the terms of this Power of Attorney and Custody Agreement as of this ____ day of _____, 2000.

[Registrar].

By: _____
Name:
Title:

The undersigned hereby agrees to act as Attorney-in-Fact for the above-named Seller in accordance with the terms of this Power of Attorney and Custody Agreement as of this ____ day of _____, 2000.

_____, as Attorney-in-Fact

_____, as Attorney-in-Fact

LETTER AGREEMENT
PROVIDING FOR RESTRICTIONS ON
THE DISPOSITION OF STOCK

September _____, 2000

ING BARINGS LLC
JANNEY MONTGOMERY SCOTT LLC
As Representatives of the
several Underwriters
55 East 52nd Street
New York, New York 10055

Dear Sirs:

In consideration of the agreement (the "Underwriters Agreement") of the several Underwriters for which ING Barings LLC and Janney Montgomery Scott LLC (the "Representatives"), intend to act as Representatives, to underwrite a proposed public offering (the "Offering") of common stock, \$.01 par value (the "Common Shares") of FTI Consulting, a Maryland corporation (the "Company"), as contemplated by a registration statement with respect to such shares to be filed with the Securities and Exchange Commission on Form S- (the "Registration Statement"), the undersigned hereby agrees that the undersigned will not, for a period of 90 days after the effective date of the Registration Statement, without the prior written consent of the Representatives:

(i) directly or indirectly assign, transfer, offer, sell, agree to sell, make any short sale, pledge, hypothecate or otherwise dispose (collectively, a "Disposition") of any Common Shares of the Company or securities convertible into or exchangeable for or any rights to acquire Common Shares or

(ii) engage in any hedging or other transactions with respect to the Common Shares that may have an impact on the market price of the Common Shares, or that is designed to result in a Disposition of Common Shares, even if such Common Shares would be disposed of by someone other than the undersigned, including, without limitation, any short sale (whether or not against the box) or any purchase, sale, or grant of any right (including, without limitation, any put or call option) with respect to any Common Shares or with respect to any security (other than

a broad-based market basket or index) that includes, relates to or derives any significant part of its value from Common Shares; provided, however, that bona fide gifts to persons who agree in writing with the Representatives to be bound by the provisions hereof, and sales of Common Shares pursuant to the Underwriting Agreement, shall not be prohibited.

The undersigned agrees that this agreement shall be binding upon the transferees, successors, assigns, heirs and personal representatives of the undersigned.

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this letter agreement.

Very truly yours,

By: _____

[Print Name]

[LETTERHEAD OF PIPER MARBURY RUDNICK & WOLFE LLP]

September 22, 2000

FTI Consulting, Inc.
2021 Research Drive
Annapolis, MD 21401

Re: Registration Statement on Form S-2

Gentlemen:

We have acted as counsel to FTI Consulting, Inc., a Maryland corporation (the "Company"), in connection with the Company's Registration Statement on Form S-2, as amended by an Amendment No. 1 (the "Registration Statement"; Reg. No. 333-45278), filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"). The Registration Statement relates in the aggregate to up to 5,117,500 shares (the "Shares") of the Company's Common Stock, par value \$.01 per share (the "Common Stock"). Of such Shares, the Company is selling 3,000,000 shares of Common Stock and 1,450,000 shares of Common Stock are being sold by various selling shareholders. In addition, the Company and some of the selling shareholders have granted the underwriters the right to purchase up to 667,500 additional shares of Common Stock to cover any over-allotments.

In this capacity, we have examined the Company's Charter and By-Laws, the resolutions of the Board of Directors of the Company relating to the issuance of the Shares, and such other documents, instruments, and matters of law as we have deemed necessary to the rendering of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with originals of all documents submitted to us as copies.

Based upon the foregoing, we are of the opinion and advise you that the Shares have been duly authorized and, upon the issuance and sale of the Shares in accordance with the resolutions adopted by the Board of Directors of the Company, will be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the use of our name as it appears under the caption "Legal Matters." In giving our consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Piper Marbury Rudnick & Wolfe LLP

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the captions "Selected Financial Data" and "Experts", and to the use of our report dated February 11, 2000, included in the registration statement (Form S-2 No. 333-45278) and related prospectus of FTI Consulting, Inc. for the registration of 5,175,000 shares of its common stock.

/s/ Ernst & Young LLP

Baltimore, Maryland
September 20, 2000

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the captions "Selected Financial Data" and "Experts", and to the use of our report dated March 10, 2000, with respect to the financial statements of Policano & Manzo L.L.C., included in the registration statement (Form S-2 No. 333-45278) and related prospectus of FTI Consulting, Inc. for the registration of 5,175,000 shares of its common stock.

/s/ Ernst & Young LLP

Baltimore, Maryland
September 20, 2000