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As filed with the Securities and Exchange Commission on September 27, 2004.

Registration No. 333-115434

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 4
To
FORM S-1
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

HURON CONSULTING GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware	**8742**	**01-0666114**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code number)**	**(IRS Employer Identification Number)**

550 West Van Buren Street
Chicago, Illinois 60607
(312) 583-8700

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

Gary E. Holdren
Chief Executive Officer and President
Huron Consulting Group Inc.
550 West Van Buren Street
Chicago, Illinois 60607
(312) 583-8700

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

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

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholder may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and neither we nor the selling stockholder are soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS | Subject to Completion | September 27, 2004

5,000,000 Shares

Common Stock

This is the initial public offering of shares of common stock of Huron Consulting Group Inc. Prior to this offering, there has been no public market for our common stock. We are offering 3,333,333 shares of common stock and the selling stockholder identified in this prospectus is offering 1,666,667 shares of common stock. We will not receive any proceeds from the sale of any shares by the selling stockholder. The initial public offering price of our common stock is expected to be between $14.00 and $16.00 per share.

We have applied for the quotation of our common stock on the NASDAQ National Market under the symbol "HURN."

Investing in our common stock involves a high degree of risk. Before buying any shares, you should carefully read the discussion of material risks of investing in our common stock in " Risk factors" beginning on page 13 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$
Proceeds, before expenses, to the selling stockholder	$	$

The underwriters may also purchase up to an additional 750,000 shares of common stock from the selling stockholder at the public offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus to cover over-allotments, if any. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $ and total proceeds, before expenses, to the selling stockholder will be $.

The underwriters are offering the common stock as set forth under "Underwriting." Delivery of the shares of common stock will be made on or about , 2004.

UBS Investment Bank **Deutsche Bank Securities**

William Blair & Company

You should only rely on the information contained in this prospectus. Neither we, the selling stockholder nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus. We and the selling stockholder are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is current only as of the date of this prospectus.

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Through and including , 2004 (the 25th day after commencement of this offering), federal securities law may require all dealers effecting transactions in our common stock, whether or not participating in this offering, to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Prospectus summary

The following is a summary of some of the information contained in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk factors" and the consolidated financial statements and notes to those financial statements included elsewhere in this prospectus. In this prospectus, unless the context otherwise requires, the terms "Huron," "company," "we," "us" and "our" refer to Huron Consulting Group Inc. and its subsidiaries.

OUR BUSINESS

We are an independent provider of financial and operational consulting services. Our highly experienced and credentialed professionals employ their expertise in accounting, finance, economics and operations to provide our clients with specialized analysis and customized advice and solutions that are tailored to address each client's particular challenges and opportunities.

We provide our services through two segments: Financial Consulting and Operational Consulting. Our Financial Consulting segment helps clients effectively address complex challenges that arise from litigation, disputes, investigations, regulation, financial distress and other sources of significant conflict or change. Our services in this segment include financial and economic analysis; forensic accounting; expert support and testimony services; restructuring, turnaround and bankruptcy advisory services; and valuation analysis. Our Operational Consulting segment helps clients improve the overall efficiency and effectiveness of their operations, reduce costs, manage regulatory compliance and maximize procurement efficiency. For the year ended December 31, 2003 and the six months ended June 30, 2004, we derived 68.9% and 62.3%, respectively, of our revenues from Financial Consulting and 31.1% and 37.7%, respectively, of our revenues from Operational Consulting.

We believe many organizations are facing increasingly large and complex business disputes and lawsuits, a growing number of regulatory and internal investigations and more intense public scrutiny. Concurrently, we believe increased competition and regulation are presenting significant operational and financial challenges for organizations. Distressed companies are responding to these challenges by restructuring and reorganizing their businesses and capital structures, while financially healthy organizations are striving to take advantage of business opportunities by improving operations, reducing costs and maximizing revenue. Many organizations have limited dedicated resources to respond effectively to these challenges and opportunities. Consequently, we believe these organizations will increasingly seek to augment their internal resources with experienced independent consultants like us.

We provide our services to a wide variety of both financially sound and distressed organizations, including Fortune 500 companies, medium-sized and large businesses, leading academic institutions, healthcare organizations and the law firms that represent these various organizations. Since May 2002, we have conducted over 1,000 engagements for over 500 clients, and we have worked on engagements with 35 of the 40 largest U.S. law firms listed in *The American Lawyer* 2004 Am Law 100.

As of September 17, 2004, we had 604 employees, including 486 billable professionals, whom we refer to as consultants. In addition to our headquarters in Chicago, we have five other core offices located in Boston, Houston, New York City, San Francisco and Washington, D.C. and two smaller offices located in Charlotte and Los Angeles.

OUR HISTORY

Huron was formed in March 2002 and commenced operations in May 2002. We were founded by a core group of experienced financial and operational consultants that consisted primarily of former Arthur
Andersen LLP partners and professionals, including our chief executive officer, Gary E. Holdren, with

equity sponsorship from a group of investors led by Lake Capital Management LLC. For purposes of holding their investment in us, these investors formed our parent, HCG Holdings LLC, a Delaware limited liability company. HCG Holdings LLC, which is the selling stockholder in this offering, currently owns approximately 93% of our outstanding common stock. After giving effect to this offering (without giving effect to the underwriters' over-allotment option) and the issuance of 769,700 shares of restricted common stock to our executive officers and certain of our employees on the date of this prospectus, HCG Holdings LLC will own approximately 59% of our outstanding common stock. As a result, HCG Holdings LLC will continue to have the power to control all matters submitted to our stockholders for approval after the consummation of this offering. After giving effect to this offering (without giving effect to the underwriters' over-allotment option), the issuance of 769,700 shares of restricted common stock to our executive officers and certain of our employees on the date of this prospectus and the grant to each of our four independent directors of options exercisable for 13,333 shares of common stock, assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, our executive officers, board members and director nominees will collectively own approximately 6% of our outstanding common stock, assuming all outstanding options that will be vested at the time of consummation of this offering, including the options held by these persons, were exercised and that the exercise price was paid in cash. See "Prospectus summary—Background and certain transactions," "Certain relationships and related transactions" and "Principal and selling stockholders" for further information.

We created Huron because we believed that a financial and operational consulting business that is unaffiliated with a public accounting firm is better suited to serve its clients' needs. As an independent consulting firm, Huron is not subject to the legal restrictions placed on public accounting firms that prohibit them from providing certain non-audit services to their audit clients. We also believed that many other consulting firms provided only a limited scope of services and, therefore, a company such as ours with a wide array of services would be better positioned to serve the diverse and complex needs of various organizations.

In response to strong demand for our services, we began aggressively hiring consultants in the first quarter of 2003 and added over 200 new consultants during 2003. While this aggressive hiring negatively impacted our utilization rates (determined by dividing the number of hours all of our consultants worked on client assignments during a period by the total available working hours for all of our consultants during the same period, assuming a forty-hour work week, less paid holidays and vacation days) as we integrated our new hires, we believe the early results of this growth initiative are evident in our recent financial results. Revenues in 2002 totaled $35.1 million for our first eight months of operations and rose to $101.5 million in 2003, our first full year of operations. Revenues totaled $81.6 million in the six months ended June 30, 2004 compared to $46.9 million in the six months ended June 30, 2003, representing 74.0% year-over-year growth. We incurred a net loss of $4.2 million for the partial year ended December 31, 2002 and a net loss of $1.1 million for the year ended December 31, 2003 and generated net income of $7.2 million for the six months ended June 30, 2004 compared to $1.9 million for the six months ended June 30, 2003. At June 30, 2004, we had a total stockholders' deficit of $0.2 million.

OUR COMPETITIVE STRENGTHS

We believe our key competitive strengths include:

- **Experienced and highly qualified consultants.** Our consultants combine proficiency in accounting, finance, economics and operations with deep knowledge of specific industries. In addition, many of our consultants are highly credentialed and include certified public accountants, MBAs, accredited valuation specialists and forensic accountants.
- **Independent provider of financial and operational consulting services.** We believe increased regulations, growing public scrutiny and concern regarding auditor conflicts of interests provide us with a competitive advantage over public accounting firms in securing consulting

engagements. We also believe that the relatively small number of large public accounting firms will lead some organizations to engage independent consultants like us to preserve their flexibility to hire large public accounting firms for audit or other attest services.

- **Complementary service offerings and integrated approach.** We offer a broad array of financial and operational consulting services that can be delivered through teams of consultants from our different practices. Our integrated approach enables us to provide solutions tailored to specific client needs. In addition, our range of service offerings reduces our dependence on any one service offering or industry, provides a stimulating work environment for our consultants and enhances our flexibility in managing the utilization and career development of our directors, managers, associates and analysts.
- **Distinctive culture.** We believe we have been successful in attracting and retaining top talent because of our distinctive culture, which combines the energy and flexibility of a high-growth company with the professionalism of a major professional services firm. We believe our performance-based compensation program, which both recognizes individual performance and reinforces teamwork, also contributes to our recruiting and retention success.

OUR GROWTH STRATEGY

We have grown significantly since we commenced operations, more than doubling the number of our consultants from 213 on May 31, 2002 to 486 on September 17, 2004. We believe there are a number of opportunities to continue to grow our business, including:

- **Attracting additional highly qualified consultants.** We believe our stimulating work environment, performance-based compensation program and distinctive culture will enable us to attract additional top talent from other consulting firms, accounting firms, targeted industries and on-campus recruiting. In the near term, our focus will primarily be on hiring and developing additional managers, associates and analysts to expand support for our existing practices and better leverage our managing directors and directors.
- **Growing our existing relationships and developing new relationships.** We work hard to maintain and grow our existing client and law firm relationships. The goodwill created from these relationships leads to referrals from satisfied clients and their law firms, which also enables us to secure engagements with new clients.
- **Continuing to promote and deliver an integrated approach to service delivery.** We will continue to utilize our experience with the financial and operational challenges facing our clients to identify and provide additional value-added services as part of an integrated solution. Frequently, a particular engagement is expanded or a new engagement secured with an existing client as a direct result of our quality work for that client.
- **Continuing to build our brand.** We intend to continue to build our reputation and a common identity for the services we provide under the Huron brand name. We believe that using a common brand name and identity for our services enhances our visibility in the marketplace and improves our ability to compete for new business.
- **Expanding our service offerings.** We believe there will be opportunities to expand our current capabilities or broaden the scope of our existing services, and we will evaluate these in response to client and general market demands.

RISKS RELATING TO OUR BUSINESS AND GROWTH STRATEGY

While we believe focusing on the key areas set forth above will provide us with opportunities to reach our goals, there are a number of risks and uncertainties that may limit our ability to achieve our goals, including that:

- our success depends largely on our ability to attract, develop, motivate and retain highly skilled individuals in an industry where there is great competition for talent;
- growing our business places demands on our management and internal systems, processes and controls, and the increased costs associated with successfully managing these demands may adversely affect our profitability;

- our profitability depends to a large extent on the utilization and billing rates for our consultants, which are affected by a number of factors, many of which are beyond our control;
- our ability to maintain and attract new business depends upon our reputation, the professional reputation of our consultants and the quality of our services, and any factor that diminishes our reputation or that of our consultants or calls into question the quality of our services could make it substantially more difficult for us to attract new engagements and clients;
- our ability to build our brand could be negatively impacted if another company were to successfully challenge our right to use the Huron name, or if we were unable to prevent a competitor from using a name that is similar to our name; and
- our industry includes a large number of participants and is intensely competitive, and, if we are unable to compete successfully, our financial results will be adversely affected.

For more information about these and other risks related to our business and an investment in our common stock, see "Risk factors" beginning on page 13. You should consider carefully all of these risks before making an investment in our common stock.

BACKGROUND AND CERTAIN TRANSACTIONS

HCG Holdings LLC

HCG Holdings LLC, our parent and the selling stockholder, is controlled by Lake Capital Partners LP and Lake Capital Management LLC. The remaining equity interests in HCG Holdings LLC are held by certain other institutional investors, some of our executive officers and 24 of our other managing directors, each of our board members, a director nominee and 31 other holders. Our executive officers, board members and the director nominee holding interests in HCG Holdings LLC are Gary Holdren, our Chief Executive Officer and a board member, George Massaro, our Chief Operating Officer and a board member, Gary Burge, our Chief Financial Officer, Daniel Broadhurst, our Vice President, and John McCartney, a director nominee. These individuals collectively hold 2.1% of the common interests and 2.3% of the preferred interests in HCG Holdings LLC. Paul Yovovich, whom we expect to add to our board after the consummation of this offering, is president and a member of Lake Capital Management LLC and controls Lake Capital Partners LP. Mr. Yovovich also directly holds 2.9% of the common interests and 1.0% of the preferred interests in HCG Holdings LLC.

HCG Holdings LLC currently owns approximately 93% of our outstanding common stock and all of our outstanding 8% preferred stock and 8% promissory notes. Some of our executive officers, each of our board members and some of our current and former employees own the remaining approximately 7% of our outstanding common stock.

Equity compensation awards

On the date of this prospectus, we intend to grant equity-based compensation awards to our executive officers and certain of our employees and each of our independent directors.

- **Restricted stock awards.** We intend to grant a total of 769,700 shares of restricted common stock to our executive officers and certain of our employees. Our executive officers who will be granted shares of restricted common stock are Messrs. Holdren, Massaro, Burge and Broadhurst, Natalia Delgado, our General Counsel and Corporate Secretary, and Mary Sawall, our Vice President, Human Resources, who will be granted 158,700, 32,600, 10,900, 10,900, 8,700 and 6,500 shares of restricted common stock, respectively. Based on a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, the aggregate value of the shares of restricted common stock to be granted to Messrs. Holdren, Massaro, Burge and Broadhurst, Ms. Delgado and Ms. Sawall is $2,380,500, $489,000, $163,500, $163,500, $130,500 and $97,500, respectively.

- **Employee stock option awards.** We intend to grant options to purchase 75,800 shares of our common stock to certain of our employees on the date of this prospectus, including one of our executive officers, Ms. Delgado, who will receive options to purchase 13,100 of these shares. These options will have a per share exercise price equal to the public offering price.
- **Independent director stock option awards.** We intend to grant to each of our four independent directors options exercisable for 13,333 shares of our common stock, assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus. These options will have a per share exercise price equal to the public offering price.

All of the awards described above will be made under our 2004 Omnibus Stock Plan after we file a registration statement on Form S-8 relating to that plan. This Form S-8, which will also relate to our three other equity incentive plans, is expected to be filed on the date of this prospectus after the effectiveness of the registration statement of which this prospectus forms a part. The Form S-8 will become effective upon filing.

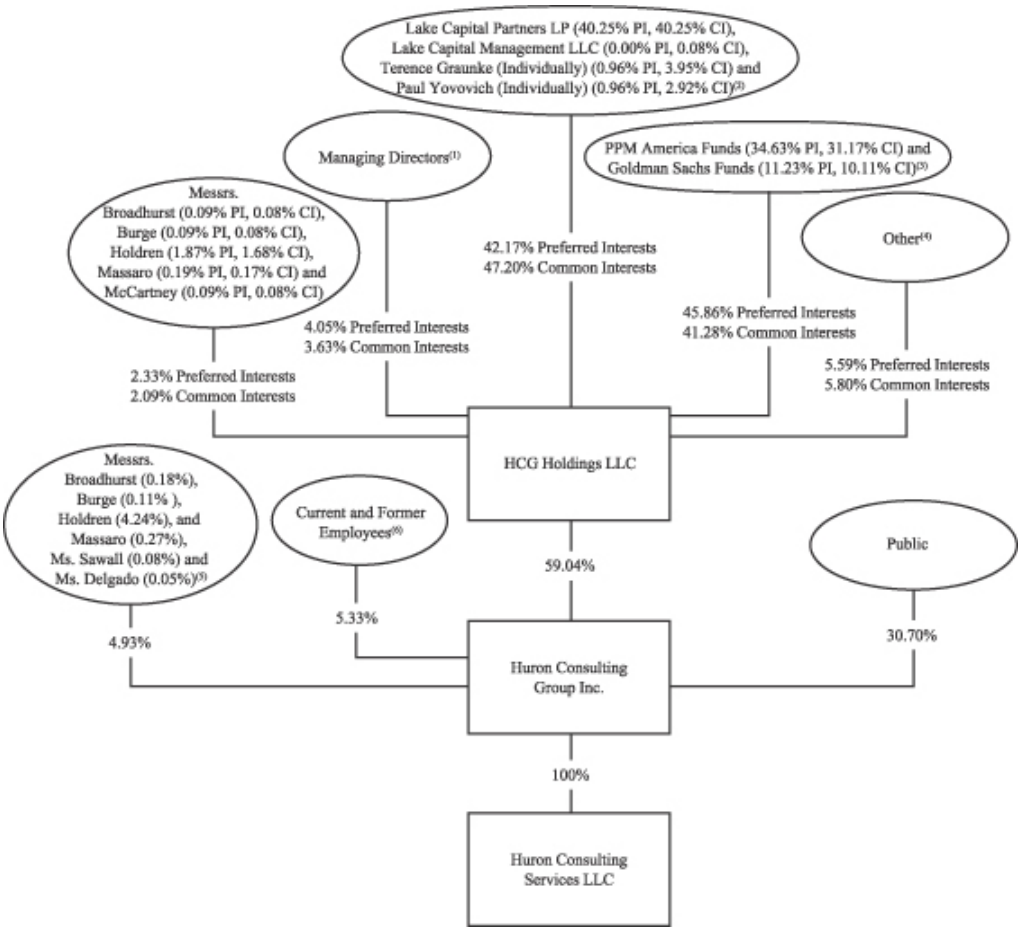
Redemption of 8% preferred stock and repayment of 8% promissory notes

As described in the section of this prospectus entitled “Use of proceeds,” we will use approximately $15.1 million of our net proceeds from this offering to redeem our outstanding 8% preferred stock and approximately $10.7 million to repay in full our outstanding 8% promissory notes. All of our 8% preferred stock and 8% promissory notes are owned by HCG Holdings LLC. We expect that HCG Holdings LLC will distribute substantially all of the proceeds it receives from the sale of the shares being offered by it in this offering, the redemption of the outstanding 8% preferred stock and the repayment by us of the 8% promissory notes to its members in accordance with its governing documents. Assuming that this offering is consummated at a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, and HCG Holdings LLC distributes the entire amount of its proceeds from the foregoing transactions, we estimate that Messrs. Holdren, Massaro, Burge, Broadhurst and McCartney will receive a payment of approximately $875,000, $87,500, $43,800, $43,800 and $43,800, respectively.

See “Use of proceeds,” “Certain relationships and related transactions,” “Principal and selling stockholders” and “Description of capital stock” for further information regarding the matters discussed above.

Post-offering corporate structure and ownership

The following organizational chart sets forth the corporate structure and percentage ownership of preferred interests ("PI") and common interests ("CI") in HCG Holdings LLC and of our common stock after giving effect to this offering (without giving effect to the exercise of the underwriters' over-allotment option). Our post-offering ownership structure gives effect to the issuance by us of the 769,700 shares of restricted common stock to be granted to our executive officers and certain of our employees on the date of this prospectus, but does not give effect to 1,670,041 shares of common stock issuable upon the exercise of outstanding options at September 17, 2004, 75,800 shares of common stock issuable upon the exercise of options to be granted to one of our executive officers and certain of our employees on the date of this prospectus or 53,332 shares of common stock issuable upon the exercise of options to be granted to our independent directors on the date of this prospectus.



(1) The preferred and common interests in HCG Holdings LLC held by this group reflects the interests held by 24 of our managing directors that are not executive officers. None of these 24 other managing directors individually owns more than 1.0% of either the preferred or common interests in HCG Holdings LLC.

(2) Lake Capital Partners LP and Lake Capital Management LLC collectively have investment and voting control over the shares of our common stock held by HCG Holdings LLC. Lake Capital Investment Partners LP is the sole general partner of Lake

(Footnotes continued on following page.)

Capital Partners LP and Lake Partners LLC is the sole general partner of Lake Capital Investment Partners LP. Terence M. Graunke and Paul G. Yovovich are the members and managers of Lake Partners LLC as well as members of an investment committee of Lake Capital Investment Partners LP and, in such roles, these individuals have investment and voting control over, and may be deemed to be the beneficial owners of, the shares ultimately controlled by Lake Capital Investment Partners LP. Mr. Graunke is also the controlling member of Lake Capital Management LLC and, pursuant to the Lake Capital Management LLC operating agreement, has investment and voting control over, and may be deemed to be the beneficial owner of, the shares controlled by that entity. Each of Mr. Graunke and Mr. Yovovich disclaims beneficial ownership of the shares of common stock owned by HCG Holdings LLC. Each of Mr. Graunke and Mr. Yovovich individually own preferred and common interests in HCG Holdings, as reflected in the chart.

(3) The PPM America Funds consist of PPM America Private Equity Fund, L.P. and a related fund, Old Hickory Fund I, LLC, which own 34.4% and 0.3%, respectively, of the preferred interests and 30.9% and 0.2%, respectively, of the common interests in HCG Holdings LLC. The Goldman Sachs Funds consist of seven related Goldman Sachs private equity funds, consisting of GS Private Equity Partners 2000, L.P., GS Private Equity Partners 2000 Offshore Holdings, L.P., GS Private Equity Partners 2000 – Direct Investment Fund, L.P., GS Private Equity Partners 2002, L.P., GS Private Equity Partners 2002 Offshore Holdings, L.P., GS Private Equity Partners 2002 – Direct Investment Fund, L.P. and GS Private Equity Partners 2002 Employee Fund, L.P., which own 3.3%, 1.1%, 1.3%, 1.1%, 2.9%, 1.0% and 0.5%, respectively, of the preferred interests and 3.0%, 1.0%, 1.2%, 1.0%, 2.6%, 0.9% and 0.4%, respectively, of the common interests in HCG Holdings LLC.

(4) This group consists of 31 other investors holding the interests. None of the holders in this group own more than 1.0% of the total preferred interests or total common interests in HCG Holdings LLC, except for The Hamilton Companies LLC, which owns 1.4% of the preferred interests and 1.4% of the common interests.

(5) Mr. Holdren has been attributed for purposes of this chart ownership of 4.24% of the common stock, which is held in a trust for the benefit of the family of Mr. Holdren. See “Principal and selling stockholders.”

(6) Reflects the shares of common stock held by current and former employees of Huron Consulting Group Inc. None of the holders of the common stock in this group owns more than 1.0% of the total common stock.

CORPORATE INFORMATION

We were incorporated in Delaware in March 2002, commenced operations in May 2002 and conduct all of our consulting activities through a wholly-owned subsidiary, Huron Consulting Services LLC. Our headquarters are located at 550 West Van Buren Street, Chicago, Illinois 60607 and our telephone number is (312) 583-8700. Our web site is www.huronconsultinggroup.com. Information contained on our web site is not incorporated by reference into this prospectus. You should not consider information contained on our web site as part of this prospectus.

The offering

Common stock offered by us	3,333,333 shares
Common stock offered by the selling stockholder	1,666,667 shares
Total	5,000,000 shares
Common stock to be outstanding immediately after this offering	16,285,960 shares
Over-allotment option	750,000 shares of common stock to be offered by the selling stockholder if the underwriters exercise the over- allotment option in full.
Proposed NASDAQ National Market symbol	HURN
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $42.8 million assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus. We will not receive any proceeds from the sale of shares by the selling stockholder. We will use approximately $15.1 million of our net proceeds to redeem our outstanding 8% preferred stock and approximately $10.7 million to repay our outstanding 8% promissory notes. All of the outstanding shares of the 8% preferred stock and the aggregate principal amount of the 8% promissory notes are held by our parent, HCG Holdings LLC, which is the selling stockholder in this offering. We intend to use the balance of our net proceeds to pay off any borrowings outstanding under our credit agreement and for other general corporate purposes, including working capital. See “Use of proceeds.”

The number of shares of our common stock outstanding immediately after this offering is based on the number of shares outstanding at September 17, 2004. This number includes the 769,700 shares of restricted common stock that we intend to grant to our executive officers and certain of our employees on the date of this prospectus, but does not include:

- 1,670,041 shares of common stock issuable upon the exercise of outstanding stock options issued under our equity incentive plans, with a weighted average exercise price of $0.75 per share;
- 75,800 shares of common stock issuable upon the exercise of options that we intend to grant on the date of this prospectus to one of our executive officers and certain of our employees, with a per share exercise price equal to the public offering price;
- 53,332 shares of common stock issuable upon the exercise of options that we intend to grant on the date of this prospectus to our independent directors, with a per share exercise price equal to the public offering price and assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus; and

- 1,242,168 shares reserved and available for future grant or issuance under our 2004 Omnibus Stock Plan.

Unless otherwise indicated, all information in this prospectus assumes:

- a 1 for 2.3 reverse stock split of our outstanding shares of Class A and Class B common stock, which will be effected prior to the consummation of this offering;
- the conversion of each outstanding share of our Class B common stock into a share of our Class A common stock and the renaming of our Class A common stock to “common stock,” which will occur immediately prior to the consummation of this offering pursuant to the terms of our certificate of incorporation; and
- the underwriters do not exercise their over-allotment option, which entitles them to purchase up to 750,000 additional shares of our common stock from the selling stockholder.

Summary consolidated financial and other operating data

We have derived the following summary consolidated financial data for the period from March 19, 2002 (inception) to December 31, 2002 and for the year ended December 31, 2003 from our audited consolidated financial statements, except for the pro forma data. We have derived the following summary consolidated financial data for the six months ended June 30, 2003 and 2004 and as of June 30, 2004 from our unaudited interim consolidated financial statements, except for the pro forma data. In the opinion of management, this information contains all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of our results of operations and financial position for such periods. The summary information set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with "Selected consolidated financial and other operating data," "Management's discussion and analysis of financial condition and results of operations" and the consolidated financial statements and related notes included elsewhere in this prospectus.

The pro forma as adjusted balance sheet data gives effect to the following transactions as if each had occurred on June 30, 2004:

- the issuance of 769,700 shares of restricted common stock to our executive officers and certain of our employees, which will occur on the date of this prospectus;
- the sale by us of 3,333,333 shares of our common stock in this offering at an assumed public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us;
- the use of approximately $14.8 million of our estimated net proceeds to redeem our outstanding 8% preferred stock; and
- the use of approximately $10.5 million of our estimated net proceeds to repay our outstanding 8% promissory notes.

For further information regarding the redemption of our 8% preferred stock and the repayment of our 8% promissory notes, see the section of this prospectus entitled "Use of proceeds."

Consolidated statements of operations data:	March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Six months ended June 30, 2003	Six months ended June 30, 2004
			(unaudited)	
	(in thousands, except per share and other operating data)			
Revenues and reimbursable expenses:				
Revenues	$ 35,101	$ 101,486	$ 46,923	$ 81,604
Reimbursable expenses	2,921	8,808	3,906	7,090
Total revenues and reimbursable expenses	38,022	110,294	50,829	88,694
Direct costs and reimbursable expenses:				
Direct costs	26,055	69,401	29,320	47,591
Reimbursable expenses	2,921	8,929	3,917	7,065
Total direct costs and reimbursable expenses	28,976	78,330	33,237	54,656
Gross profit	9,046	31,964	17,592	34,038
Operating expenses:				
Selling, general and administrative expenses	8,813	25,185	11,093	17,840
Depreciation and amortization expense	3,048	5,328	2,658	1,075
Other operating expenses(1)	3,715	1,668	—	2,139
Total operating expenses	15,576	32,181	13,751	21,054
Operating (loss) income	(6,530)	(217)	3,841	12,984
Other expense:				
Interest expense	332	856	418	516
Other	1	112	112	(1)
Total other expense	333	968	530	515
(Loss) income before (benefit) provision for income taxes	(6,863)	(1,185)	3,311	12,469
(Benefit) provision for income taxes	(2,697)	(122)	1,451	5,237
Net (loss) income	(4,166)	(1,063)	1,860	7,232
Accrued dividends on 8% preferred stock	646	1,066	516	558
Net (loss) income attributable to common stockholders	$ (4,812)	$ (2,129)	$ 1,344	$ 6,674
Net (loss) income attributable to common stockholders per share:				
Basic	$ (0.41)	$ (0.18)	$ 0.05	$ 0.50
Diluted	$ (0.41)	$ (0.18)	$ 0.05	$ 0.47
Weighted average shares used in calculating net (loss) income attributable to common stockholders per share:				
Basic	11,803	11,871	11,806	12,011
Diluted	11,803	11,871	12,357	13,005
Cash dividend per common share(2)	—	—	—	$ 0.09
Unaudited pro forma net (loss) income attributable to common stockholders(3)		$ (580)		$ 7,477
Unaudited pro forma net (loss) income attributable to common stockholders per share(3):				
Basic		$ (0.04)		$ 0.50
Diluted		$ (0.04)		$ 0.47
Unaudited pro forma weighted average shares outstanding used in calculating unaudited pro forma net (loss) income attributable to common stockholders per share(4):				
Basic		14,787		14,981
Diluted		14,787		15,975
Other operating data (unaudited):				
Number of consultants (at end of period)(5)	262	477	355	499
Utilization rate(6)	57.3%	66.1%	72.4%	72.6%
Average billing rate per hour(7)	$ 206	$ 217	$ 224	$ 238

(See footnotes on the following page.)

Consolidated balance sheet data:	As of June 30, 2004	
	Actual	Pro forma as adjusted
	(unaudited) (in thousands)	
Cash and cash equivalents	$ 943	$ 18,461
Working capital	16,838	34,759
Total assets	48,932	66,450
Long-term debt (consisting of 8% promissory notes)	10,076	—
Total 8% preferred stock	14,770	—
Total stockholders' (deficit) equity	(170)	42,597

(1) Other operating expenses consist of management and advisory fees paid to related parties and organizational costs totaling $3,715 for the period from March 19, 2002 (inception) to December 31, 2002, a loss on lease abandonment of $1,668 for the year ended December 31, 2003 and a restructuring charge of $2,139 for the six months ended June 30, 2004.

(2) On May 12, 2004, we declared a special dividend on each outstanding share of our common stock and 8% preferred stock payable to holders of record on May 25, 2004. We paid the special dividend on June 29, 2004. The 8% preferred stock participated on an as converted basis. The aggregate amount of the dividend was $1.25 million, or $0.09 per share of common stock and $22.18 per share of 8% preferred stock. Other than the special dividend, we have not declared or paid any dividends on our common stock since our inception and do not intend to pay any dividends on our common stock in the foreseeable future. See "Dividend policy."

(3) The total pro forma adjustments to net (loss) income attributable to common stockholders are approximately $1,549 and $803 for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively. The adjustments consist of an adjustment of approximately $1,066 and $558 for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively, to eliminate the accrued preferred stock dividends associated with our outstanding 8% preferred stock and an adjustment of approximately $483 and $245 for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively, to eliminate the interest expense, net of tax expense, related to our outstanding 8% promissory notes. We will redeem the 8% preferred stock and repay the 8% promissory notes with a portion of the net proceeds from this offering as discussed in the section of this prospectus entitled "Use of proceeds."

(4) The pro forma weighted average shares outstanding represents an increase of 2,916 and 2,970 weighted average shares as of December 31, 2003 and June 30, 2004, respectively, related to the issuance of shares that would have been issued by us in this offering, based on an assumed public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, less estimated underwriting discounts and commissions and offering expenses payable by us, in order to redeem our outstanding 8% preferred stock (including the liquidation participation amount) and repay our outstanding 8% promissory notes, as if these transactions occurred at the beginning of each period. See "Use of Proceeds." The pro forma weighted average shares outstanding also includes the issuance of 769,700 shares of restricted common stock as of December 31, 2003 and June 30, 2004 as if this issuance also occurred at the beginning of each period. We intend to issue these shares of restricted common stock to our executive officers and certain of our employees on the date of this prospectus.

(5) Consultants consist of our billable professionals.

(6) We calculate the utilization rate for our consultants by dividing the number of hours all of our consultants worked on client assignments during a period by the total available working hours for all of our consultants during the same period, assuming a forty-hour work week, less paid holidays and vacation days.

(7) Average billing rate per hour is calculated by dividing revenues for a period by the number of hours worked on client assignments during the same period.

Risk factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks below before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. In such an event, the trading price of our common stock could decline, and you may lose all or part of your investment.

RISKS RELATED TO OUR BUSINESS

Our inability to retain our senior management team and other managing directors would be detrimental to the success of our business.
We rely heavily on our senior management team, including Gary Holdren, our Chief Executive Officer, and George Massaro, our Chief Operating Officer, and other managing directors, and our ability to retain them is particularly important to our future success. Given the highly specialized nature of our services, these people must have a thorough understanding of our service offerings as well as the skills and experience necessary to manage an organization consisting of a diverse group of professionals. In addition, we rely on our senior management team and other managing directors to generate and market our business. Further, in light of our limited operating history, our senior management's and other managing directors' personal reputations and relationships with our clients are a critical element in obtaining and maintaining client engagements. Although we enter into non-solicitation agreements with our senior management team and other managing directors, we do not enter into non-competition agreements. Accordingly, members of our senior management team and our other managing directors are not contractually prohibited from leaving or joining one of our competitors, and some of our clients could choose to use the services of that competitor instead of our services. If one or more members of our senior management team or our other managing directors leave and we cannot replace them with a suitable candidate quickly, we could experience difficulty in securing and successfully completing engagements and managing our business properly, which could harm our business prospects and results of operations.

Our senior management team and our other managing directors will receive substantial financial benefits as a result of this offering, which may reduce the financial incentive for them to stay with us.
Our senior management team and our other managing directors collectively hold options to purchase 1,502,630 shares of our common stock. Of these, options to purchase 145,608 shares are currently vested, options to purchase 420,659 shares will vest upon consummation of this offering pursuant to their terms and the remaining options to purchase 936,363 will fully vest at various times over the next four years. These options have exercise prices ranging from $0.02 to $1.96 per share. An individual may be more likely to leave us after their options fully vest, especially if the shares underlying the options have significantly appreciated in value relative to the option exercise price. In addition, a trust for the benefit of the family of Mr. Holdren, our Chief Executive Officer, holds 521,740 shares of restricted common stock that he purchased for $0.02 per share, of which 163,043 shares are currently vested and the remaining 358,697 will fully vest immediately prior to the consummation of this offering. On the date of this prospectus, we intend to grant 769,700 shares of restricted common stock to our executive officers and certain of our employees. The restricted shares will vest over a four year period, with 25% vesting on each anniversary of the grant date during that period. Our executive officers who will be granted shares of restricted common stock are Messrs. Holdren, Massaro, Burge and Broadhurst, Ms. Delgado and Ms. Sawall, who will be granted 158,700, 32,600, 10,900, 10,900, 8,700 and 6,500 shares of restricted common stock, respectively. In addition, we intend to grant options to purchase 75,800 shares of our common stock to certain of our employees on the date of this prospectus, including one of

our executive officers, Ms. Delgado, who will receive options to purchase 13,100 shares of our common stock. These options will have a per share exercise price equal to the public offering price and will vest over a four-year period, with 25% vesting on each anniversary of the grant date during that period. We also intend to grant to each of our independent directors options exercisable for 13,333 shares of our common stock, assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus. These options will have a per share exercise price equal to the public offering price and will vest over a three-year period, with one-third vesting on the grant date and one-third vesting on the date of each of the next two annual meetings.

In addition, some of our executive officers and other managing directors, each of our board members and a director nominee are members of HCG Holdings LLC, which is our parent and the selling stockholder, and collectively hold 5.7% of the common interests and 6.4% of the preferred interests in HCG Holdings LLC. Our executive officers, board members and the director nominee holding interests in HCG Holdings LLC are Messrs. Holdren, Massaro, Burge, Broadhurst and McCartney. These individuals collectively hold 2.1% of the common interests and 2.3% of the preferred interests in HCG Holdings LLC. If any of the above-described individuals realize substantial financial benefits as a result of their securities ownership in us or HCG Holdings LLC, their financial incentive to stay with us may be reduced. These individuals already realized a financial benefit when HCG Holdings LLC used the proceeds it received from the special dividend that we paid on June 29, 2004 together with other funds of HCG Holdings LLC to redeem a portion of its outstanding preferred interests on a pro rata basis, including a portion of the preferred interests held by these people. In connection with this redemption, Messrs. Broadhurst, Burge, Holdren, Massaro and McCartney received an aggregate amount of approximately $4,540, $4,540, $90,788, $9,079 and $4,540, respectively, of which approximately $1,097, $1,097, $21,933, $2,193 and $1,097, respectively, was paid out of the proceeds of the dividend. These individuals will also realize a financial benefit if HCG Holdings LLC makes a distribution to its members of the proceeds it receives from (1) the sale of the shares being offered by it in this offering, (2) the redemption of the 8% preferred stock and (3) the repayment of the 8% promissory notes held by HCG Holdings LLC. Assuming that this offering is consummated at a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, and HCG Holdings LLC distributes the entire amount of its proceeds from the foregoing transactions, we estimate that Messrs. Broadhurst, Burge, Holdren, Massaro and McCartney will receive a payment of approximately $43,800, $43,800, $875,000, $87,500 and $43,800, respectively.

Our inability to hire and retain talented people in an industry where there is great competition for talent could have a serious negative effect on our prospects and results of operations.

Our business involves the delivery of professional services and is highly labor-intensive. Our success depends largely on our general ability to attract, develop, motivate and retain highly skilled consultants. The loss of a significant number of our consultants or the inability to attract, hire, develop, train and retain additional skilled personnel could have a serious negative effect on us, including our ability to manage, staff and successfully complete our existing engagements and obtain new engagements. Qualified consultants are in great demand, and we face significant competition for both senior and junior consultants with the requisite credentials and experience. Our principal competition for talent comes from other consulting firms, accounting firms and technical and economic advisory firms, as well as from organizations seeking to staff their internal professional positions. Many of these competitors may be able to offer significantly greater compensation and benefits or more attractive lifestyle choices, career paths or geographic locations than we do. Therefore, we may not be successful in attracting and retaining the skilled consultants we require to conduct and expand our operations successfully. Increasing competition for these consultants may also significantly increase our labor costs, which could negatively affect our margins and results of operations.

Risk factors

We have experienced net losses for most of our history, and our limited operating history makes evaluating our business difficult.
We have been operating since May 2002. For the period from March 19, 2002 (inception) through December 31, 2002 and for the year ended December 31, 2003, we experienced net losses of $4.2 million and $1.1 million, respectively. Although we generated net income of $7.2 million for the six months ended June 30, 2004, we may not sustain profitability in the future. For example, we generated net income of $1.9 million for the six months ended June 30, 2003, but experienced a net loss for the year ended December 31, 2003. Our net losses, among other things, have had, and should net losses occur in the future, will have, an adverse effect on our stockholders' equity and working capital. As of June 30, 2004, we had a total stockholders' deficit of $0.2 million. To sustain profitability, we must:

- attract, integrate, retain and motivate highly qualified consultants;
- achieve and maintain adequate utilization and suitable billing rates for our consultants;
- expand our existing relationships with our clients and identify new clients in need of our services;
- maintain and enhance our brand recognition; and
- adapt to meet changes in our markets and competitive developments.

We may not be successful in accomplishing these objectives. Further, our limited operating history makes it difficult to evaluate our business and prospects. Our prospects must be considered in light of the risks, uncertainties, expenses and difficulties frequently encountered by companies in their early stages of development, particularly companies in highly competitive industries. The historical information in this prospectus may not be indicative of our future financial condition and future performance. For example, we expect that our future annual growth rate in revenues will moderate and likely be less than the growth rates experienced in 2003 and the first six months of 2004.

If we are unable to manage the growth of our business successfully, we may not be able to sustain profitability.
We have grown significantly since we commenced operations, more than doubling the number of our consultants from 213 on May 31, 2002 to 486 as of September 17, 2004. As we continue to increase the number of our consultants, we may not be able to successfully manage a significantly larger workforce. Additionally, our significant growth has placed demands on our management and our internal systems, procedures and controls and will continue to do so in the future. To successfully manage growth, we must add administrative staff and periodically update and strengthen our operating, financial, accounting and other systems, procedures and controls, which will increase our costs and may adversely affect our gross profits and our ability to sustain profitability if we do not generate increased revenues to offset the costs. This need to augment our support infrastructure due to growth is compounded by our decision to become a public reporting company and the increased expense that will arise in complying with existing and new regulatory requirements. As a public company, our information and control systems must enable us to prepare accurate and timely financial information and other required disclosure. If we discover deficiencies in our existing information and control systems that impede our ability to satisfy our reporting requirements, we must successfully implement improvements to those systems in an efficient and timely manner.

Our financial results could suffer if we are unable to achieve or maintain adequate utilization and suitable billing rates for our consultants.
Our profitability depends to a large extent on the utilization and billing rates of our consultants. Utilization of our consultants is affected by a number of factors, including:

- the number and size of client engagements;
- the timing of the commencement, completion and termination of engagements, which in many cases is unpredictable;

- our ability to transition our consultants efficiently from completed engagements to new engagements;
- the hiring of additional consultants because there is generally a transition period for new consultants that results in a temporary drop in our utilization rate;
- unanticipated changes in the scope of client engagements;
- our ability to forecast demand for our services and thereby maintain an appropriate level of consultants; and
- conditions affecting the industries in which we practice as well as general economic conditions.

The billing rates of our consultants that we are able to charge are also affected by a number of factors, including:

- our clients' perception of our ability to add value through our services;
- the market demand for the services we provide;
- introduction of new services by us or our competitors;
- our competition and the pricing policies of our competitors; and
- general economic conditions.

If we are unable to achieve and maintain adequate overall utilization as well as maintain or increase the billing rates for our consultants, our financial results could materially suffer.

A significant portion of our revenues are derived from a limited number of clients, and our engagement agreements, including those related to our largest clients, can be terminated by our clients with little or no notice and without penalty, which may cause our operating results to be unpredictable.

As a consulting firm, we have derived, and expect to continue to derive, a significant portion of our revenues from a limited number of clients. Our ten largest clients accounted for 36.3% of our revenues in the partial year ended December 31, 2002, 32.1% of our revenues in the year ended December 31, 2003 and 32.5% of our revenues in the six months ended June 30, 2004. Our clients typically retain us on an engagement-by-engagement basis, rather than under fixed-term contracts, and the volume of work performed for any particular client is likely to vary from year to year, and a major client in one fiscal period may not require or decide to use our services in any subsequent fiscal period. Accordingly, the failure to obtain new large engagements or multiple engagements from existing or new clients could have a material adverse effect on the amount of revenues we generate.

In addition, almost all of our engagement agreements can be terminated by our clients with little or no notice and without penalty. For example, in engagements related to litigation, if the litigation were to be settled, our engagement for those services would no longer be necessary and therefore would be terminated. In client engagements that involve multiple engagements or stages, there is a risk that a client may choose not to retain us for additional stages of an engagement or that a client will cancel or delay additional planned engagements. These terminations, cancellations or delays could result from factors unrelated to our services or the progress of the engagement. When engagements are terminated, we lose the associated future revenues, and we may not be able to recover associated costs or redeploy the affected employees in a timely manner to minimize the negative impact. In addition, our clients' ability to terminate engagements with little or no notice and without penalty makes it difficult to predict our operating results in any particular fiscal period.

Our ability to maintain and attract new business depends upon our reputation, the professional reputation of our consultants and the quality of our services.

As a professional services firm, our ability to secure new engagements depends heavily upon our reputation and the individual reputations of our consultants. Any factor that diminishes our reputation or that of our consultants, including not meeting client expectations or misconduct by our consultants, could make it substantially more difficult for us to attract new engagements and clients. Similarly, because we obtain many of our new engagements from former or current clients or from referrals by those clients or by law firms that we have worked with in the past, any client that questions the quality of our work or that of our consultants could impair our ability to secure additional new engagements and clients.

The consulting services industry is highly competitive, and we may not be able to compete effectively.

The consulting services industry in which we operate includes a large number of participants and is intensely competitive. We face competition from other business operations and financial consulting firms, general management consulting firms, the consulting practices of major accounting firms, technical and economic advisory firms, regional and specialty consulting firms and the internal professional resources of organizations. In addition, because there are relatively low barriers to entry, we expect to continue to face additional competition from new entrants into the business operations and financial consulting industries. We have six core offices and two smaller offices in the United States and do not have any international offices. Many of our competitors have a greater national presence and are also international in scope, as well as have significantly greater personnel, financial, technical and marketing resources. In addition, these competitors may generate greater revenues and have greater name recognition than we do. Our ability to compete also depends in part on the ability of our competitors to hire, retain and motivate skilled consultants, the price at which others offer comparable services and our competitors' responsiveness to their clients. If we are unable to compete successfully with our existing competitors or with any new competitors, our financial results will be adversely affected.

Additional hiring and any acquisitions could disrupt our operations, increase our costs or otherwise harm our business.

Our business strategy is dependent in part upon our ability to grow by hiring individuals or groups of consultants and by potentially acquiring complementary businesses. However, we may be unable to identify, hire, acquire or successfully integrate new consultants and complementary businesses without substantial expense, delay or other operational or financial problems. Competition for future hiring and acquisition opportunities in our markets could increase the compensation we offer to potential consultants or the price we pay for businesses we wish to acquire. In addition, we may be unable to achieve the financial, operational and other benefits we anticipate from any hiring or acquisition. Hiring additional consultants or acquiring complementary businesses could also involve a number of additional risks, including:

- the diversion of management's time, attention and resources from managing and marketing our company;
- the failure to retain key acquired personnel;
- potential impairment of existing relationships with our clients, such as client satisfaction or performance problems, whether as a result of integration or management difficulties or otherwise;
- the creation of conflicts of interest that require us to decline or resign from engagements that we otherwise could have accepted;
- the potential need to raise significant amounts of capital to finance a transaction or the potential issuance of equity securities that could be dilutive to our existing stockholders;

- increased costs to improve, coordinate or integrate managerial, operational, financial and administrative systems; and
- difficulties in integrating diverse backgrounds and experiences of consultants, including if we experience a transition period for newly hired consultants that results in a temporary drop in our utilization rates or margins.

If we fail to successfully address these risks, our ability to compete may be impaired.

If the number of large bankruptcies continues to decline or other factors cause a decrease in demand for our corporate advisory services, our revenues and profitability could suffer.

Our corporate advisory services practice provides various turnaround, restructuring and bankruptcy services to companies in financial distress or their creditors or other stakeholders. This practice accounted for 30.7% and 27.0% of our revenues for the year ended December 31, 2003 and six months ended June 30, 2004, respectively. We are typically engaged in connection with a bankruptcy case when the bankruptcy is of the size and complexity that generally requires the debtor or other constituents to retain the services of financial advisors. A number of other factors also affect demand for this practice. These factors include:

- over-expansion by various businesses;
- management's inability to address critical operational and financial issues;
- the level of lending activity and over-leveraging of companies; and
- challenging general economic conditions in the United States, which have benefited our corporate advisory services practice since we commenced operations.

If the number of large bankruptcies continues to decline or other factors cause a decrease in demand for our corporate advisory services, the revenues from our turnaround, restructuring and bankruptcy services could decline, which could harm our ability to sustain profitability.

We face an increased risk of fee nonpayment or reduced payment in our corporate advisory services practice.

Many of the clients in our corporate advisory services practice have engaged us because they are experiencing financial distress. These clients may not have sufficient funds to continue operations or to pay for our services. We usually do not receive retainers before we begin performing services on a client's behalf in connection with our restructuring business, and we are not always able to obtain retainers from clients in bankruptcy as the bankruptcy court must approve our retainers for those clients. When we do receive retainers, the retainers may not adequately cover our fees for the services we perform on behalf of these clients. Even if a bankruptcy court approves our retainer or engagement, a bankruptcy court has the discretion to require us to return all, or a portion of, our fees or to reduce our fees for the duration of the engagement. Therefore, we face the risk of nonpayment or reduced payment, either of which can result in write-offs.

The profitability of our fixed-fee engagements with clients may not meet our expectations if we underestimate the cost of these engagements.

Fixed-fee engagements generated approximately 11.9% and 12.3% of our revenues for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively. When making proposals for fixed-fee engagements, we estimate the costs and timing for completing the engagements. These estimates reflect our best judgment regarding the efficiencies of our methodologies and consultants as we plan to deploy them on engagements. Any increased or unexpected costs or unanticipated delays in connection with the performance of fixed-fee engagements, including delays caused by factors outside our control, could make these contracts less profitable or unprofitable, which would have an adverse effect on our profit margin.

Revenues from our performance-based engagements are difficult to predict, and the timing and extent of recovery of our costs is uncertain.

From time to time, primarily in our corporate advisory services and strategic sourcing practices, we enter into engagement agreements under which our fees include a significant performance-based component. Performance-based fees are contingent on the achievement of specific measures, such as our clients meeting cost-saving or other contractually defined goals. The achievement of these contractually-defined goals is often impacted by factors outside of our control, such as the actions of our client or third parties. Because performance-based fees are contingent, revenues on such engagements, which are recognized when all revenue recognition criteria are met, are not certain and the timing of receipt is difficult to predict and may not occur evenly throughout the year. While performance-based fees comprised 3.3% and 6.9% of our revenues for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively, we intend to continue to enter into performance-based fee arrangements and these engagements may impact our revenues to a greater extent in the future. Should performance-based fee arrangements represent a greater percentage of our business in the future, we may experience increased volatility in our working capital requirements and greater variations in our quarter-to-quarter results, which could affect the price of our common stock. In addition, an increase in the proportion of performance-based fee arrangements may offset the positive effect on our operating results from increases in our utilization rate or average billing rate per hour.

Conflicts of interest could preclude us from accepting engagements thereby causing decreased utilization and revenues.

We provide services in connection with bankruptcy proceedings and litigation proceedings that usually involve sensitive client information and frequently are adversarial. In connection with bankruptcy proceedings, we are required by law to be “disinterested” and in litigation we would generally be prohibited from performing services in the same litigation for the party adverse to our client. In addition, our engagement agreement with a client or other business reasons may preclude us from accepting engagements with our clients’ competitors or adversaries. As we increase the size of our operations, the number of conflict situations can be expected to increase. Moreover, in many industries in which we provide services, there has been a continuing trend toward business consolidations and strategic alliances. These consolidations and alliances reduce the number of companies that may seek our services and increase the chances that we will be unable to accept new engagements as a result of conflicts of interest. If we are unable to accept new engagements for any reason, our consultants may become underutilized, which would adversely affect our revenues and results of operations in future periods.

Expanding our service offerings or number of offices may not be profitable.

We may choose to develop new service offerings or open new offices because of market opportunities or client demands. Developing new service offerings involves inherent risks, including:

- our inability to estimate demand for the new service offerings;
- competition from more established market participants;
- a lack of market understanding; and
- unanticipated expenses to recruit and hire qualified consultants and to market our new service offerings.

In addition, expanding into new geographic areas and/or expanding current service offerings is challenging and may require integrating new employees into our culture as well as assessing the demand in the applicable market. For example, in August 2003, we established a small office in Palo Alto, California to service the Silcon Valley marketplace and, in September 2003, we established a small office in Miami, Florida to deepen our corporate finance capabilities. These offices did not meet our expectations and, therefore, we subsequently closed those offices and incurred a restructuring charge of

$2.1 million in the six months ended June 30, 2004. In September 2004, we decided to eliminate a service offering of a practice area in our operational consulting segment that was not meeting our expectations. Additionally, in a continual effort to streamline our operations and allocate resources more appropriately, we reduced our headcount in certain other practice areas across both segments. In connection with these actions, we expect to record charges in the third quarter of approximately $2.1 million for severance payments. If we cannot manage the risks associated with new service offerings or new locations effectively, we are unlikely to be successful in these efforts, which could harm our ability to sustain profitability and our business prospects.

Our engagements could result in professional liability, which could be very costly and hurt our reputation.

Our engagements typically involve complex analyses and the exercise of professional judgment. As a result, we are subject to the risk of professional liability. If a client questions the quality of our work, the client could threaten or bring a lawsuit to recover damages or contest its obligation to pay our fees. Litigation alleging that we performed negligently or breached any other obligations to a client could expose us to significant legal liabilities and, regardless of outcome, is often very costly, could distract our management and could damage our reputation. We are not always able to include provisions in our engagement agreements that are designed to limit our exposure to legal claims relating to our services. Even if these limiting provisions are included in an engagement agreement, they may not protect us or may not be enforceable under some circumstances. In addition, we carry professional liability insurance to cover many of these types of claims, but the policy limits and the breadth of coverage may be inadequate to cover any particular claim or all claims plus the cost of legal defense. For example, we provide services on engagements in which the impact on a client may substantially exceed the limits of our errors and omissions insurance coverage. If we are found to have professional liability with respect to work performed on such an engagement, we may not have sufficient insurance to cover the entire liability.

Our intellectual property rights in our "Huron Consulting Group" name are important, and any inability to use that name could negatively impact our ability to build brand identity.

We believe that establishing, maintaining and enhancing the "Huron Consulting Group" name is important to our business. We are, however, aware of a number of other companies that use names containing "Huron." There could be potential trade name or service mark infringement claims brought against us by the users of these similar names and marks and those users may have trade name or service mark rights that are senior to ours. If another company were to successfully challenge our right to use our name, or if we were unable to prevent a competitor from using a name that is similar to our name, our ability to build brand identity could be negatively impacted.

We or some of our consultants could be named in lawsuits because we were founded by former Arthur Andersen LLP partners and professionals and contracted with Arthur Andersen for releases from non-competition agreements.

We were founded by a core group of consultants that consisted primarily of former Arthur Andersen LLP partners and professionals, and we entered into a contract with Arthur Andersen to release these partners and professionals from non-competition agreements with Arthur Andersen. These circumstances might lead creditors of Arthur Andersen and other parties to bring claims against us or some of our managing directors or other consultants seeking recoveries for liabilities of Arthur Andersen and we may not be able to successfully avoid liability for such claims. In addition, litigation of this nature or otherwise could divert the time and attention of our managing directors and consultants, and we could incur substantial defense costs.

As a holding company, we are totally dependent on distributions from our operating subsidiary to pay dividends or other obligations and there may also be other restrictions on our ability to pay dividends in the future.

We are a holding company with no business operations. Our only significant asset is the outstanding equity interest of our wholly-owned operating subsidiary. As a result, we must rely on payments from our subsidiary to meet our obligations. We currently expect that the earnings and cash flow of our subsidiary will primarily be retained and used by it in its operations, including servicing any debt obligations it may have now or in the future. Accordingly, although we do not anticipate paying any dividends in the foreseeable future, our subsidiary may not be able to generate sufficient cash flow to distribute funds to us in order to allow us to pay future dividends on, or make any distribution with respect to, our common stock. Our future credit facilities, other future debt obligations and statutory provisions may also limit our ability to pay dividends or make any distribution in respect of our common stock.

RISKS ASSOCIATED WITH PURCHASING OUR COMMON STOCK IN THIS OFFERING

As a new investor, you will incur immediate and substantial dilution.

If you purchase shares of our common stock in this offering, you will experience an immediate and substantial dilution of $12.38 in pro forma net tangible book value per share of your investment as described in the section of this prospectus entitled “Dilution.” This means that the price you pay for the shares you acquire in this offering will be significantly higher than their net tangible book value per share. If we issue additional shares of common stock in the future, you may experience further dilution in the net tangible book value of your shares. Likewise, you will incur additional dilution if the holders of outstanding options to purchase shares of our common stock at prices below our net tangible book value per share exercise their options after this offering. As of September 17, 2004, there were 1,670,041 shares of common stock issuable upon the exercise of outstanding stock options, with a weighted average exercise price of $0.75 per share.

Sales of a substantial number of shares of our common stock following this offering may adversely affect the market price of our common stock, and the issuance of additional shares will dilute all other stockholdings.

Sales of a substantial number of shares of our common stock in the public market following this offering, or the perception that large sales could occur, could cause the market price of our common stock to decline or limit our future ability to raise capital through an offering of equity securities. After completion of this offering, there will be 16,285,960 shares of our common stock outstanding, including the 769,700 shares of restricted common stock that we intended to grant on the date of this prospectus to our executive officers and certain of our employees. All of the shares of common stock sold in this offering will be freely tradable without restriction or further registration under the federal securities laws unless purchased by our “affiliates” within the meaning of Rule 144 under the Securities Act. All of the remaining 11,285,960 shares of outstanding common stock, representing approximately 69% of the outstanding common stock upon completion of this offering, will be “restricted securities” under the Securities Act, subject to restrictions on the timing, manner and volume of sales of those shares. Upon consummation of this offering, HCG Holdings LLC and Gary E. Holdren will be entitled to certain registration rights with respect to 10,005,881 restricted securities. In addition, our certificate of incorporation permits the issuance of up to 500,000,000 shares of common stock. After this offering, we estimate that we will have an aggregate of approximately 483,714,040 shares of our common stock authorized but unissued. Thus, we have the ability to issue substantial amounts of common stock in the future, which would dilute the percentage ownership held by the investors who purchase our shares in this offering.

The company, each member of our board of directors, each of our director nominees, each of our executive officers and managing directors and the selling stockholder have agreed for a period of at least 180 days after the date of this prospectus, to not, without the prior written consent of UBS Securities

LLC and Deutsche Bank Securities Inc., directly or indirectly, offer to sell, sell, pledge or otherwise dispose of any shares of our common stock, subject to certain permitted exceptions. Following the expiration of the lock-up period, 11,182,442 shares of common stock subject to these agreements, including shares issuable upon the exercise of vested options 180 days after the date of this prospectus, will be available for sale in the public market, subject to the vesting of the restricted common stock during the lock-up period and the restrictions on sales of "restricted securities" under the Securities Act.

We have adopted three equity incentive plans and, prior to the consummation of the offering, we intend to adopt a new equity incentive plan. See "Management—Equity Incentive Plans" for further information regarding our equity incentive plans. Following the effectiveness of the registration statement of which this prospectus forms a part, we intend to file a registration statement on Form S-8 under the Securities Act covering the 2,141,000 shares that will be reserved for issuance under our new plan as well as the shares reserved for issuance upon the exercise of options outstanding under our three existing plans, which as of September 17, 2004 was 1,670,041. Accordingly, subject to applicable vesting requirements and exercise with respect to options, the provisions of Rule 144 with respect to affiliates and, if applicable, expiration of the 180-day lock-up agreements, shares registered under that registration statement will be available for sale in the open market. As soon as practicable following the filing of the Form S-8 registration statement, we intend to grant 769,700 shares of restricted common stock to certain of our executive officers and employees, options exercisable for 75,800 shares of our common stock, with a per share exercise price equal to the public offering price, to one of our executive officers and certain of our employees, and options exercisable for 13,333 shares of our common stock, with a per share exercise price equal to the public offering price and assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, to each of our independent directors.

For a more detailed description of additional shares that may be sold in the future, see the sections of this prospectus captioned "Shares eligible for future sale" and "Underwriting."

Because HCG Holdings LLC will have the ability to continue to control us after this offering, the influence of our public stockholders over significant corporate actions will be limited.

After the completion of this offering, HCG Holdings LLC will control approximately 59% of our outstanding common stock, or approximately 54% if the underwriters exercise their over-allotment option in full. As a result, after this offering, HCG Holdings LLC will continue to have the power to control all matters submitted to our stockholders, including the election of our directors and amendments to our certificate of incorporation, and will have the ability to approve or prevent any transaction that requires the approval of stockholders regardless of whether or not other stockholders believe that any such transactions are in their own best interests. So long as HCG Holdings LLC continues to own a significant amount of the outstanding shares of our common stock, it will continue to be able to strongly influence or effectively control our decisions.

Conflicts of interests between HCG Holdings LLC and us or you could arise in the future.

Conflicts of interests between HCG Holdings LLC and us or you could arise in the future, and these conflicts may not be resolved in our or your favor. For instance, Lake Capital Partners LP and its affiliates, which control HCG Holdings LLC, are in the business of making investments in companies and have, and may from time to time acquire and hold, interests in businesses that compete directly or indirectly with us. These entities may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. In addition, HCG Holdings LLC, through its significant ownership interest in us, may seek to cause us to take courses of action that, in its judgment, could enhance its investment in us, but which might involve risks to, or otherwise adversely affect, us or you.

In addition, after this offering, some of our executive officers and managing directors and a number of our board members will continue to be members of and hold equity interests in HCG Holdings LLC. These relationships with HCG Holdings LLC could create, or appear to create, potential conflicts of interests when these individuals are faced with decisions that could have different implications for our company and HCG Holdings LLC.

Our common stock does not have a trading history, and you may not be able to trade our common stock if an active trading market does not develop.

Prior to this offering, there has been no public market for our common stock. We have applied for quotation of our common stock on the NASDAQ National Market under the symbol "HURN." Although the underwriters have informed us that they intend to make a market in our common stock, they are not obligated to do so, and any market-making may be discontinued at any time without notice. Therefore, an active trading market for our common stock may not develop or, if it does develop, may not continue. As a result, the market price of our common stock, as well as your ability to sell our common stock, could be adversely affected.

The value of your investment may be subject to sudden decreases due to the potential volatility of the price of our common stock.

The market price of our common stock may be highly volatile and subject to wide fluctuations in response to numerous factors, including the factors discussed in other risk factors, which could also cause variations in our quarterly results of operations, and the following factors:

- press releases or publicity relating to us or our competitors or relating to trends in the industry;
- changes in the legal or regulatory environment affecting businesses to which we provide services;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;
- the operating and stock performance of other companies that investors may deem comparable;
- inability to meet quarterly or annual estimates or targets of our performance; and
- general domestic or international economic, market and political conditions.

These factors may adversely affect the trading price of our common stock, regardless of our actual operating performance, and could prevent you from selling your common stock at or above the initial public offering price. In addition, the stock markets from time to time experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies.

In the past, some stockholders have brought securities class action lawsuits against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation, regardless of whether we are ultimately successful, could result in substantial costs and divert management's attention and resources.

Provisions of our certificate of incorporation and our bylaws could delay or prevent a takeover of us by a third party.

Our certificate of incorporation and bylaws could delay, defer or prevent a third party from acquiring us, despite the possible benefit to our stockholders, or otherwise adversely affect the price of our common stock. For example, our charter and bylaws will:

- permit our board of directors to issue one or more series of preferred stock with rights and preferences designated by our board;
- impose advance notice requirements for stockholder proposals and nominations of directors to be considered at stockholder meetings;

- stagger the terms of our board of directors into three classes;
- limit the ability of stockholders to remove directors;
- prohibit stockholders from filling vacancies on our board of directors, unless the board of directors submits an election to fill a vacancy to a vote of stockholders;
- prohibit stockholders from calling special meetings of stockholders and from taking action by written consent;
- grant our board of directors the authority to amend and repeal our bylaws without a stockholder vote and require the approval of at least two-thirds of the voting power of all of the shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class, for stockholders to amend or repeal our bylaws; and
- require the approval of not less than two-thirds of the voting power of all of the shares of our capital stock entitled to vote, voting together as a single class, to amend any provision of our charter described in the third through seventh bullet points above or the super majority provision described in this bullet point.

These provisions may discourage potential takeover attempts, discourage bids for our common stock at a premium over market price or adversely affect the market price of, and the voting and other rights of the holders of, our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors other than the candidates nominated by our board. See “Description of capital stock” for additional information on the anti-takeover measures applicable to us.

We do not anticipate paying any dividends following the consummation of this offering.

Following the consummation of this offering, we currently expect that we will retain our future earnings, if any, for use in the operation and expansion of our business, and we do not anticipate paying any cash dividends. As a result, our stock may be less attractive to investors who seek dividend payments.

Special note regarding forward-looking statements

Some of the statements under “Prospectus summary,” “Risk factors,” “Management’s discussion and analysis of financial condition and results of operations,” “Business” and elsewhere in this prospectus constitute forward-looking statements that reflect our current expectation about our future results, levels of activity, performance or achievements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of such terms or other comparable terminology. These statements involve known and unknown risks, uncertainties and other factors, including, among others, those described under “Risk factors” and elsewhere in this prospectus, that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Therefore, you should not place undue reliance on our forward-looking statements. Except to the extent required by applicable securities laws, we are under no duty and do not intend to update any of the forward-looking statements after the date of this prospectus.

Use of proceeds

We estimate that the net proceeds that we will receive from our sale of 3,333,333 shares of common stock in this offering will be $42.8 million, assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares by the selling stockholder.

We currently estimate that we will use our net proceeds from this offering for the following:

- approximately $15.1 million to exercise our option to redeem our outstanding 8% preferred stock;
- approximately $10.7 million to repay our outstanding 8% promissory notes, including accrued and unpaid interest;
- an amount sufficient to repay any borrowings outstanding under our credit agreement at the time of the consummation of this offering; and
- the balance for general corporate purposes, including working capital.

The redemption amount of the 8% preferred stock is equal to the original issuance price of $1,000 per share plus cumulative dividends that will have accrued on a daily basis from the date of investment through the date of the redemption at a rate of 8% per annum, compounded annually, together with a liquidation participation amount. The liquidation participation amount is calculated as if we were liquidated on the date of the redemption and the excess of our assets over our liabilities (with the liabilities including, for purposes of this calculation, the aggregate stated value of all outstanding shares of preferred stock and all accrued and unpaid interest) were distributed on a share for share basis among the holders of preferred stock and common stock. We expect the redemption date to be within two business days after the consummation of this offering.

The 8% promissory notes were issued at various times in 2002 and mature five years and six months from the date of issuance, subject to mandatory prepayment upon the occurrence of specified events, including the consummation of this offering. Interest on the promissory notes, which is payable annually, accrues at a rate of 8% per year.

Borrowings under the credit agreement bear interest at either the prime rate or LIBOR plus 2.75% and are secured by substantially all of our assets. Borrowings under the credit agreement are payable at the expiration of the agreement in February 2005, subject to our compliance with a covenant that requires that we have an uninterrupted 30-day period each year with no loans outstanding. There were no borrowings outstanding under the credit agreement as of June 30, 2004 and September 23, 2004.

HCG Holdings LLC, our parent and the selling stockholder in this offering, currently owns approximately 93% of our common stock and all of our outstanding 8% preferred stock and 8% promissory notes. HCG Holdings LLC is controlled by Lake Capital Partners LP and Lake Capital Management LLC. The remaining equity interests in HCG Holdings LLC are held by certain other institutional investors, some of our executive officers and 24 of our other managing directors, each of our board members, a director nominee and 31 other holders. Our executive officers, board members and the director nominee holding interests in HCG Holdings LLC are Messrs. Holdren, Massaro, Burge, Broadhurst and McCartney. If, as we expect, HCG Holdings LLC distributes to its members all of the proceeds it receives from the sale of the 1,666,667 shares of common stock being offered by it in this offering, assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, the redemption of the 8% preferred stock and the repayment of the 8%

promissory notes, we estimate that Messrs. Broadhurst, Burge, Holdren, Massaro and McCartney will receive a payment of approximately $43,800, $43,800, $875,000, $87,500 and $43,800, respectively.

We will retain broad discretion in the allocation of the net proceeds of this offering that are not used to redeem the 8% preferred stock, repay our outstanding 8% promissory notes and repay outstanding indebtedness, if any, under our credit agreement. We intend to use the balance of our net proceeds for general corporate purposes, including working capital. Should we determine to employ cash resources for the acquisition of complementary businesses or services, the amounts available for general corporate purposes may be significantly reduced. Although we evaluate potential acquisitions in the ordinary course of business, we have no specific understandings, commitments or agreements with respect to any acquisition or investment at this time.

Until we use the net proceeds of this offering for general corporate purposes, we intend to invest the funds in short-term, investment-grade, interest-bearing securities. We cannot predict whether the proceeds invested will yield a favorable return.

Dividend policy

On May 12, 2004, we declared a special dividend on each outstanding share of our common stock and 8% preferred stock payable to holders of record on May 25, 2004. We paid the special dividend on June 29, 2004. The 8% preferred stock participated on an as converted basis. The aggregate amount of the dividend was $1.25 million, or $0.09 per share of common stock and $22.18 per share of 8% preferred stock. The payment of the special dividend was funded by our available cash balance and by borrowing availability under our credit agreement, which we repaid the following day. Other than the special dividend, we have not declared or paid any dividends on our common stock since our inception and do not intend to pay any dividends on our common stock in the foreseeable future. We currently expect that we will retain our future earnings, if any, for use in the operation and expansion of our business. Future cash dividends, if any, will be at the discretion of our board of directors and will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors the board of directors may deem relevant.

Capitalization

The following table sets forth our capitalization as of June 30, 2004:

- on an actual basis;
- on a pro forma basis to give effect to the conversion of all of our outstanding shares of Class B common stock into shares of our Class A common stock and the renaming of our Class A common stock to "common stock," which will occur immediately prior to the consummation of this offering pursuant to the terms of our certificate of incorporation; and
- on a pro forma as adjusted basis to give effect to the foregoing conversion and the following events as if each had occurred on June 30, 2004:
  - the issuance of 769,700 shares of restricted common stock to our executive officers and certain of our employees, which will occur on the date of this prospectus;
  - the sale by us of 3,333,333 shares of our common stock in this offering at an assumed public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us;
  - the use of approximately $14.8 million of our estimated net proceeds to redeem our outstanding 8% preferred stock; and
  - the use of approximately $10.5 million of our estimated net proceeds to repay our outstanding 8% promissory notes.

For further information regarding the redemption of our 8% preferred stock and the repayment of our outstanding 8% promissory notes, see the section of this prospectus entitled "Use of proceeds."

Capitalization

The information set forth below should be read in conjunction with "Selected consolidated financial and other operating data," "Management's discussion and analysis of financial condition and results of operations" and our financial statements and related notes included elsewhere in this prospectus.

	As of June 30, 2004		
	Actual	Pro forma	Pro forma as adjusted
		(unaudited) (in thousands)	
Cash and cash equivalents	$ 943	$ 943	$ 18,461
Long-term debt (consisting of 8% promissory notes)	$ 10,076	$ 10,076	$ —
Total 8% preferred stock	14,770	14,770	—
Stockholders' (deficit) equity:			
Class A common stock (renamed "common stock" immediately prior to the consummation of this offering), par value $.01 per share; 500,000,000 shares authorized; 11,285,592 shares issued and outstanding at June 30, 2004, actual; 12,176,619 shares issued and outstanding, pro forma; and 16,279,652 shares issued and outstanding, pro forma as adjusted	113	122	163
Class B common stock; par value $.01 per share, 6,486,715 shares authorized and 891,027 shares issued and outstanding at June 30, 2004, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	9	—	—
Restricted common stock	—	—	(11,546)
Additional paid-in capital	1,224	1,224	55,496
Retained deficit	(1,516)	(1,516)	(1,516)
Total stockholders' (deficit) equity	(170)	(170)	42,597
Total capitalization	$ 24,676	$ 24,676	$ 42,597

The outstanding share information as of June 30, 2004 excludes 1,713,041 shares of common stock issuable upon the exercise of outstanding stock options issued under our equity incentive plans, with a weighted average exercise price of $0.76 per share.

Dilution

Purchasers of our common stock in this offering will suffer an immediate and substantial dilution in net tangible book value per share. Dilution is the amount by which the offering price paid by the purchasers of our common stock exceeds the pro forma as adjusted net tangible book value per share of our common stock after the offering. Pro forma net tangible book value per share is determined at any date by subtracting our total liabilities from the total book value of our tangible assets and dividing the difference by the number of shares of our common stock deemed to be outstanding on the date the book value is determined after giving effect to a 1 for 2.3 reverse stock split of our Class A common stock and Class B common stock, which will occur prior to the consummation of this offering.

At June 30, 2004, we had a net tangible book value of $(0.2) million, or $(0.01) per share of common stock. After giving effect to adjustments relating to this offering as if they had occurred on June 30, 2004, our pro forma as adjusted net tangible book value at June 30, 2004 would have been $42.6 million, or $2.62 per share of common stock. This represents an immediate increase in net tangible book value to existing stockholders of $2.63 per share and an immediate dilution to new investors of $12.38 per share. The adjustments made to determine pro forma as adjusted net tangible book value per share are:

- the issuance of 769,700 shares of restricted common stock to our executive officers and certain of our employees, which will occur on the date of this prospectus;
- the sale by us of 3,333,333 shares of our common stock in this offering at an assumed public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us;
- the use of approximately $14.8 million of our estimated net proceeds to redeem our outstanding 8% preferred stock; and
- the use of approximately $10.5 million of our estimated net proceeds to repay our outstanding 8% promissory notes.

For further information regarding the redemption of our 8% preferred stock and the repayment of our outstanding 8% promissory notes, see the section of this prospectus entitled “Use of proceeds.”

The following table illustrates this per share dilution:

Assumed public offering price per share		$ 15.00
Pro forma net tangible book value per share at June 30, 2004 before this offering	$ (0.01)	
Increase in pro forma net tangible book value per share resulting from this offering	$ 2.63	
Pro forma as adjusted net tangible book value per share at June 30, 2004 after this offering		$ 2.62
Dilution per share to new investors		$ 12.38

Dilution

The following table summarizes on a pro forma as adjusted basis, as of June 30, 2004, the differences between existing stockholders and new investors with respect to the number of shares of common stock purchased from us, the total cash consideration paid to us and the average price per share paid by existing stockholders and by new investors purchasing common stock in this offering, assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus (before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us):

	Shares purchased		Total cash consideration		Average price per share
	Number	%	Amount	%	
Existing stockholders	12,176,619	79%	$ 314,238	0.6%	$ 0.03
New investors	3,333,333	21%	49,999,995	99.4%	$ 15.00
Total	15,509,952	100%	$ 50,314,233	100%	

The discussion and tables above exclude 1,713,041 shares of common stock issuable upon the exercise of outstanding stock options issued under our equity incentive plans as of June 30, 2004, with a weighted average exercise price of $0.76 per share, and 194,419 shares available for future issuance under our equity incentive plans as of June 30, 2004. To the extent that any of our outstanding options are exercised there will be further dilution to new investors.

Selected consolidated financial and other operating data

We have derived the following selected consolidated financial data as of the end of and for the period from March 19, 2002 (inception) to December 31, 2002 and as of and for the year ended December 31, 2003 from our audited consolidated financial statements, except for the pro forma data. We have derived the following selected consolidated financial data for the six months ended June 30, 2003 and as of and for the six months ended June 30, 2004 from our unaudited interim consolidated financial statements, except for the pro forma data. In the opinion of management, this information contains all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of our results of operations and financial position for such periods. The information set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with “Management’s discussion and analysis of financial condition and results of operations” and the financial statements and related notes included elsewhere in this prospectus.

Selected consolidated financial and other operating data

Consolidated statements of operations data:	March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Six months ended June 30, 2003	Six months ended June 30, 2004
			(unaudited)	
		(in thousands, except per share and other operating data)		
Revenues and reimbursable expenses:				
Revenues	$ 35,101	$ 101,486	$ 46,923	$ 81,604
Reimbursable expenses	2,921	8,808	3,906	7,090
Total revenues and reimbursable expenses	38,022	110,294	50,829	88,694
Direct costs and reimbursable expenses:				
Direct costs	26,055	69,401	29,320	47,591
Reimbursable expenses	2,921	8,929	3,917	7,065
Total direct costs and reimbursable expenses	28,976	78,330	33,237	54,656
Gross profit	9,046	31,964	17,592	34,038
Operating expenses:				
Selling, general and administrative expenses	8,813	25,185	11,093	17,840
Depreciation and amortization expense	3,048	5,328	2,658	1,075
Other operating expenses(1)	3,715	1,668	—	2,139
Total operating expenses	15,576	32,181	13,751	21,054
Operating (loss) income	(6,530)	(217)	3,841	12,984
Other expense:				
Interest expense	332	856	418	516
Other	1	112	112	(1)
Total other expense	333	968	530	515
(Loss) income before (benefit) provision for income taxes	(6,863)	(1,185)	3,311	12,469
(Benefit) provision for income taxes	(2,697)	(122)	1,451	5,237
Net (loss) income	(4,166)	(1,063)	1,860	7,232
Accrued dividends on 8% preferred stock	646	1,066	516	558
Net (loss) income attributable to common stockholders	$ (4,812)	$ (2,129)	$ 1,344	$ 6,674
Net (loss) income per share attributable to common stockholders:				
Basic	$ (0.41)	$ (0.18)	$ 0.05	$ 0.50
Diluted	$ (0.41)	$ (0.18)	$ 0.05	$ 0.47
Weighted average shares used in calculating net (loss) income attributable to common stockholders per share:				
Basic	11,803	11,871	11,806	12,011
Diluted	11,803	11,871	12,357	13,005
Cash dividend per common share(2)	—	—	—	$ 0.09
Unaudited pro forma net (loss) income attributable to common stockholders(3)		$ (580)		$ 7,477
Unaudited pro forma net (loss) income attributable to common stockholders per share(3):				
Basic		$ (0.04)		$ 0.50
Diluted		$ (0.04)		$ 0.47
Unaudited pro forma weighted average shares outstanding used in calculating unaudited pro forma net (loss) income attributable to common stockholders per share(4):				
Basic		14,787		14,981
Diluted		14,787		15,975

(See footnotes on the following page.)

Selected consolidated financial and other operating data

Other operating data (unaudited):	March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Six months ended June 30, 2003	Six months ended June 30, 2004
Number of consultants (at end of period)(5)	262	477	355	499
Utilization rate(6)	57.3%	66.1%	72.4%	72.6%
Average billing rate per hour(7)	$ 206	$ 217	$ 224	$ 238

Consolidated balance sheet data:	As of December 31, 2002	As of December 31, 2003	As of June 30, 2004 (unaudited)
		(in thousands)	
Cash and cash equivalents	$ 4,449	$ 4,251	$ 943
Working capital	9,780	10,159	16,838
Total assets	26,583	39,889	48,932
Long-term debt (consisting of 8% promissory notes)	10,076	10,076	10,076
Total 8% preferred stock	13,146	14,212	14,770
Total stockholders' deficit	(4,543)	(6,624)	(170)

(1) Other operating expenses consist of management and advisory fees paid to related parties and organizational costs totaling $3,715 for the period from March 19, 2002 (inception) to December 31, 2002, a loss on lease abandonment of $1,668 for the year ended December 31, 2003 and a restructuring charge of $2,139 for the six months ended June 30, 2004.

(2) On May 12, 2004, we declared a special dividend on each outstanding share of our common stock and 8% preferred stock payable to holders of record on May 25, 2004. We paid the special dividend on June 29, 2004. The 8% preferred stock participated on an as converted basis. The aggregate amount of the dividend was $1.25 million, or $0.09 per share of common stock and $22.18 per share of 8% preferred stock. Other than the special dividend, we have not declared or paid any dividends on our common stock since our inception and do not intend to pay any dividends on our common stock in the foreseeable future. See "Dividend policy."

(3) The total pro forma adjustments to net (loss) income attributable to common stockholders are approximately $1,549 and $803 for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively. The adjustments consist of an adjustment of approximately $1,066 and $558 for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively, to eliminate the accrued preferred stock dividends associated with our outstanding 8% preferred stock and an adjustment of approximately $483 and $245 for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively, to eliminate the interest expense, net of tax expense, related to the repayment of our outstanding 8% promissory notes. We will redeem the 8% preferred stock and repay the 8% promissory notes with a portion of the net proceeds from this offering as discussed in the section of this prospectus entitled "Use of proceeds."

(4) The pro forma weighted average shares outstanding represents an increase of 2,916 and 2,970 weighted average shares as of December 31, 2003 and June 30, 2004, respectively, related to the issuance of shares that would have been issued by us in this offering, based on an assumed public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, less estimated underwriting discounts and commissions and offering expenses payable by us, in order to redeem our outstanding 8% preferred stock (including the liquidation participation amount) and repay our outstanding 8% promissory notes, as if these transactions occurred at the beginning of each period. See "Use of proceeds." The pro forma weighted average shares outstanding also includes the issuance of 769,700 shares of restricted common stock as of December 31, 2003 and June 30, 2004, as if this issuance also occurred at the beginning of each period. We intend to issue these shares of restricted common stock to our executive officers and certain of our employees on the date of this prospectus.

(5) Consultants consist of our billable professionals.

(6) We calculate the utilization rate for our consultants by dividing the number of hours all of our consultants worked on client assignments during a period by the total available working hours for all of our consultants during the same period, assuming a forty-hour work week, less paid holidays and vacation days.

(7) Average billing rate per hour is calculated by dividing revenues for a period by the number of hours worked on client assignments during the same period.

Management's discussion and analysis of financial condition and results of operations

This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the risks described in "Risk factors" and elsewhere in this prospectus. You should read the following discussion with "Selected consolidated financial and other operating data" and our financial statements and related notes included elsewhere in this prospectus.

OVERVIEW

We are an independent provider of financial and operational consulting services. We commenced operations in May 2002 with a core group of experienced financial and operational consultants, composed primarily of former Arthur Andersen LLP partners and professionals. We have grown significantly since we commenced operations, more than doubling the number of our consultants from 213 on May 31, 2002 to 486 as of September 17, 2004. In response to strong demand for our services, we began aggressively hiring consultants in the first quarter of 2003 and added over 200 new consultants during 2003. While this aggressive hiring reduced our utilization rate (determined by dividing the number of hours all of our consultants worked on client assignments during a period by the total available working hours for all of our consultants during the same period, assuming a forty-hour work week, less paid holidays and vacation days) as we integrated our new hires, we believe the early results of this growth initiative are evident in our recent financial results. Revenues in 2002 totaled $35.1 million for our first eight months of operations and rose to $101.5 million in 2003, our first full year of operations. Revenues in the six months ended June 30, 2004 totaled $81.6 million, a 74.0% increase from revenues of $46.9 million in the six months ended June 30, 2003.

We provide our services through two segments: Financial Consulting and Operational Consulting. Our Financial Consulting segment provides services that help clients effectively address complex challenges that arise from litigation, disputes, investigations, regulation, financial distress and other sources of significant conflict or change. Our Operational Consulting segment provides services that help clients improve the overall efficiency and effectiveness of their operations, reduce costs, manage regulatory compliance and maximize procurement efficiency.

Revenues

We derive all of our revenues from providing financial and operational consulting services through three principal types of billing arrangements consisting of time-and-expense, fixed-fee and performance-based. We manage our business on the basis of revenues before reimbursable expenses. We believe this is the most accurate reflection of our consulting services because it eliminates the effect of reimbursable expenses that we bill to our clients at cost.

Since our inception, most of our revenues have been generated from time-and-expense engagements. In time-and-expense engagements, fees are based on the hours incurred at agreed upon billing rates. Time-and-expense engagements represented approximately 80.8% of our revenues in the six months ended June 30, 2004.

In fixed-fee engagements, we agree to a pre-established fee in exchange for a pre-determined set of consulting services. We set the fees based on our estimates of the costs and timing for completing the fixed-fee engagements. It is the client's expectation in these engagements that the pre-established fee will not be exceeded except in mutually agreed upon circumstances. For the six months ended June 30, 2004, fixed-fee engagements represented approximately 12.3% of our revenues.

Performance-based fee engagements generally tie fees to the attainment of contractually defined objectives. We enter into performance-based engagements in essentially two forms. First, we generally earn fees that are directly related to the savings formally acknowledged by the client as a result of adopting our recommendations for improving cost effectiveness in the procurement area. Second, we have performance-based engagements in which we earn a success fee when and if certain pre-defined outcomes occur. Often this type of success fee supplements time-and-expense or fixed-fee engagements. For example, our revenues for the second quarter of 2004 included a $1.6 million success fee earned on a time-and-expense engagement that included a performance-based component related to the completion of a series of asset sales transactions managed on behalf of a single financial consulting segment client over a two-year period. While performance-based fee revenues represented approximately 6.9% of our revenues in the six months ended June 30, 2004, such revenues in the future may cause significant variations in quarterly revenues and operating results due to the timing of achieving the performance-based criteria.

Our quarterly results are impacted principally by our utilization rate, the number of business days in each quarter and the number of our consultants who are available to work. Our utilization rate can be negatively affected by increased hiring because there is generally a transition period for new consultants that results in a temporary drop in our utilization rate. Our utilization rate can also be affected by seasonal variations in the demand for our services from our clients. For example, during the third and fourth quarters of the year, vacations taken by our clients can result in the deferral of spending on existing and new engagements, which would negatively affect our utilization rate. The number of business work days are also affected by the number of vacation days taken by our consultants and holidays in each quarter. We typically have 10% to 15% fewer business work days available in the third and fourth quarters of the year, which can impact revenues during those periods. The decline in the number of business work days in the third and fourth quarters of 2002 and 2003 was offset by the hiring of a substantial number of additional consultants during those periods, thereby resulting in an increase in sequential revenues by quarter during both years. We expect to continue to hire a meaningful number of new consultants in the future as demand for our various services continues to grow. The actual number and experience level of consultants to be hired will be in response to future market conditions.

Reimbursable expenses

Reimbursable expenses that are billed to clients, primarily relating to travel and out-of-pocket expenses incurred in connection with engagements, are included in total revenues and reimbursable expenses, and typically an equivalent amount of these expenses are included in total direct costs and reimbursable expenses. The amount of reimbursable expenses included in total revenues and reimbursable expenses may not always correspond with the amount of these expenses included in total direct costs and reimbursable expenses due to the fact that revenues from reimbursable expenses associated with performance-based engagements may be deferred and recognized at a later date when the revenue on these engagements is recognized. This treatment can result in a timing difference between when revenue from reimbursable expenses is recognized and when such expenses are recognized in the statement of operations. Such timing differences are eliminated when the performance-based engagement is completed, as total cumulative revenues from reimbursable expenses will equal the total cumulative reimbursable expenses incurred on the engagement.

Direct costs

Our most significant expenses are costs classified as direct costs. These direct costs primarily include salaries, performance bonuses, payroll taxes and benefits for consultants, as well as fees paid to independent subcontractors that we retain to supplement consulting personnel, typically on an as needed basis for specific client engagements.

Operating expenses

Our operating expenses include selling, general and administrative expenses, which consist primarily of salaries, performance bonuses, payroll taxes and benefits for non-billable professionals. Also included in this category are other sales and marketing related expenses, rent and other office related expenses, professional fees and depreciation and amortization expense.

Segment results

Segment operating income consists of the revenues generated by a segment, less the direct costs of revenue and selling, general and administrative costs that are incurred directly by the segment. Unallocated corporate costs include costs related to administrative functions that are performed in a centralized manner that are not attributable to a particular segment. These administrative function costs include corporate office support costs, all office facility costs, costs relating to accounting and finance, human resources, legal, marketing, information technology and company-wide business development functions, as well as costs related to overall corporate management.

CRITICAL ACCOUNTING POLICIES

Management's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The notes to our consolidated financial statements include disclosure of our significant accounting policies. We annually review our financial reporting and disclosure practices and accounting policies to ensure that our financial reporting and disclosures provide accurate information relative to the current economic and business environment. The preparation of financial statements in conformity with GAAP requires management to make assessments, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Critical accounting policies are those policies that we believe present the most complex or subjective measurements and have the most potential to impact our financial position and operating results. While all decisions regarding accounting policies are important, we believe that there are four accounting policies that could be considered critical. These critical policies, which are presented in detail in the notes to our financial statements, relate to revenue recognition, the provision for doubtful accounts and unbilled services, valuation of net deferred tax assets and stock-based compensation.

Revenue recognition

We recognize revenues in accordance with Staff Accounting Bulletin, or SAB, No. 101, "Revenue Recognition in Financial Statements," as amended by SAB No. 104, "Revenue Recognition." Revenue is recognized when persuasive evidence of an arrangement exists, the related services are provided, the price is fixed and determinable and collectibility is reasonably assured. Our services are primarily rendered under engagements that require the client to pay on a time-and-expense basis. Fees are based on the hours incurred at agreed-upon rates and recognized as services are provided. Revenues related to fixed-fee engagements are recognized based on estimates of work completed versus the total services to be provided under the engagement. Losses, if any, on fixed-fee engagements are recognized in the period in which the loss first becomes probable and reasonably estimable. To date, such losses have not been significant. Revenues related to performance-based engagements are recognized when all performance-based criteria are met. We also have contracts with clients to deliver multiple services that are covered under both individual and separate engagement letters. These arrangements allow for our services to be valued and accounted for on a separate basis. Reimbursable expenses related to time-and-expense and fixed-fee engagements are recognized as revenue in the period in which the expense is incurred. Reimbursable expenses subject to performance-based criteria are recognized as revenue when all

performance criteria are met. Direct costs incurred on all types of engagements, including performance-based engagements, are recognized in the period in which incurred.

Differences between the timing of billings and the recognition of revenue are recognized as either unbilled services or deferred revenue. Revenues recognized for services performed but not yet billed to clients are recorded as unbilled services. Amounts billed to clients but not yet recognized as revenues are recorded as deferred revenue. Client prepayments and retainers that are unearned are also classified as deferred revenue and recognized over future periods as earned in accordance with the applicable engagement agreement.

Allowance for doubtful accounts and unbilled services

We maintain an allowance for doubtful accounts and for services performed but not yet billed for estimated losses based on several factors, including the historical percentages of fee adjustments and write-offs by practice group, an assessment of a client's ability to make required payments and the estimated cash realization from amounts due from clients. The allowance is assessed by management on a quarterly basis. If the financial condition of a client deteriorates in the future, impacting the client's ability to make payments, an increase to our allowance might be required or our allowance may not be sufficient to cover actual write-offs.

The provision for doubtful accounts and unbilled services is recorded as a reduction in revenue to the extent the provision relates to fee adjustments and other discretionary pricing adjustments. To the extent the provision relates to a client's inability to make required payments, the provision is recorded in operating expenses.

Valuation of net deferred tax assets

We have recorded net deferred tax assets as we expect to realize future tax benefits related to the utilization of these assets. Although we have experienced net losses since our inception in 2002, no valuation allowance has been recorded relating to these deferred tax assets because we believe that it is more likely than not that future taxable income will be sufficient to allow us to utilize these assets. Should we determine in the future that we will not be able to fully utilize all or part of these deferred tax assets, we would need to establish a valuation allowance, which would be recorded as a charge to income in the period the determination was made. While utilization of these deferred tax assets will provide future cash flow benefits, they will not have an effect on future income tax provisions.

Stock-based compensation

The accounting for stock-based compensation is complex, and under certain circumstances, GAAP allows for alternative methods. As permitted, we account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations and have elected the disclosure option of Statement of Financial Accounting Standards, or SFAS, No. 123, "Accounting for Stock-Based Compensation." SFAS No. 123 requires that companies either recognize compensation expense for grants of stock, stock options and other equity instruments based on fair value, or provide pro forma disclosure of net income and earnings per share in the notes to the financial statements. Accordingly, we have measured compensation expense for stock options that we have granted to employees as the excess, if any, of the estimated fair value of our common stock, based upon the results of an independent appraiser, at the date of grant over the exercise price. The calculated stock-based compensation is included as a component of stockholders' equity and is amortized on a straight-line basis by charges to earnings over the vesting period of the applicable options.

Given the lack of a public market for our common stock, we established an estimated fair value of the common stock as well as the exercise price for the options to purchase this stock. At various dates during the year, we estimated the fair value of our common stock by evaluating our results of business activities and projections of our future results of operations. Based upon an estimated public offering price of $15.00, the mid-point of the range shown on the cover of this prospectus, the intrinsic value of the options outstanding at June 30, 2004 was $24.4 million, of which $2.2 million related to the vested options and $22.2 million related to the unvested options.

RESULTS OF OPERATIONS

The following table sets forth selected segment and consolidated operating results and other operating data for the periods indicated:

Segment and consolidated operating results:	Period from March 19, 2002 (inception) to Dec. 31, 2002	Year ended December 31, 2003	Six months ended June 30, 2003	Six months ended June 30, 2004
		(in thousands)	(unaudited)	
Revenues and reimbursable expenses:				
Financial Consulting revenues	$ 22,400	$69,941	$33,518	$50,827
Operational Consulting revenues	12,701	31,545	13,405	30,777
Total revenues	35,101	101,486	46,923	81,604
Total reimbursable expenses	2,921	8,808	3,906	7,090
Total revenues and reimbursable expenses	$ 38,022	$ 110,294	$50,829	$88,694
Operating (loss) income:				
Financial Consulting	$ 3,912	$ 22,011	$12,942	$20,288
Operational Consulting	3,527	5,383	3,033	10,238
Total segment operating income	7,439	27,394	15,975	30,526
Unallocated corporate costs	7,206	20,615	9,476	14,328
Depreciation and amortization expense	3,048	5,328	2,658	1,075
Other operating expenses	3,715	1,668	—	2,139
Total operating expenses	13,969	27,611	12,134	17,542
Operating (loss) income	$ (6,530)	$ (217)	$ 3,841	$12,984
Other operating data (unaudited):				
Number of consultants (at period end)(1):				
Financial Consulting	172	290	223	292
Operational Consulting	90	187	132	207
Total	262	477	355	499
Utilization rate(2):				
Financial Consulting	55.7%	66.8%	74.1%	73.1%
Operational Consulting	60.5%	65.0%	69.3%	72.0%
Total	57.3%	66.1%	72.4%	72.6%
Average billing rate per hour(3):				
Financial Consulting	$ 212	$ 233	$ 236	$ 252
Operational Consulting	$ 195	$ 189	$ 197	$ 219
Total	$ 206	$ 217	$ 224	$ 238

(1) Consultants consist of our billable professionals.
(2) We calculate the utilization rate for our consultants by dividing the number of hours all our consultants worked on client assignments during a period by the total available working hours for all of our consultants during the same period, assuming a forty-hour work week, less paid holidays and vacation days.
(3) Average billing rate per hour is calculated by dividing revenues for a period by the number of hours worked on client assignments during the same period.

Six months ended June 30, 2004 compared to the six months ended June 30, 2003

Revenues

Revenues increased $34.7 million, or 74.0%, to $81.6 million for the six months ended June 30, 2004 from $46.9 million for the six months ended June 30, 2003. Revenues from time-and-expense engagements increased $25.6 million, or 63.4%, to $66.0 million for the six months ended June 30, 2004 from $40.4 million for the six months ended June 30, 2003. Revenues from fixed-fee engagements increased $4.7 million, or 88.7%, to $10.0 million for the six months ended June 30, 2004 from $5.3 million for the six months ended June 30, 2003. Revenues from performance-based engagements increased $4.4 million, or 366.7%, to $5.6 million for the six months ended June 30, 2004 from $1.2 million for the six months ended June 30, 2003. Included in performance-based revenues for the 2004 period was a $1.6 million success fee recognized in the second quarter related to the completion of a series of asset sales transactions managed on behalf of a single financial consulting segment client over a two-year period.

The increase in revenues was reflective of accelerated hiring, an increase in the average billing rate per hour and a slight increase in our utilization rate. The overall $34.7 million increase in revenues resulted from a $28.1 million increase in revenues attributable to an increase in billable hours associated with the hiring of additional consultants and a $6.6 million increase in revenues attributable to an increase in the average billing rate per hour. The average number of consultants increased to 483 for the six months ended June 30, 2004 from 299 for the six months ended June 30, 2003, as we added a substantial number of consultants during the third and fourth quarters of 2003 to meet growing demand for our services and position us for future growth. In addition, the average billing rate per hour increased to $238 for the six months ended June 30, 2004 from $224 for the six months ended June 30, 2003. Average billing rate per hour for any given period is calculated by dividing revenues for the period by the number of hours worked on client assignments during the same period. Our utilization rate increased slightly to 72.6% for the six months ended June 30, 2004 from 72.4% for the six months ended June 30, 2003.

Direct costs

Our direct costs increased $18.3 million, or 62.5%, to $47.6 million in the six months ended June 30, 2004 from $29.3 million in the six months ended June 30, 2003. This increase in cost was primarily attributable to the increase in the average number of consultants described above. We expect direct costs will increase in the near term as we focus primarily on hiring additional managers, associates and analysts to expand support for our existing practices and better leverage the managing directors and directors that we hired in 2003.

Operating expenses

Selling, general and administrative expenses increased $6.7 million, or 60.4%, to $17.8 million in the six months ended June 30, 2004 from $11.1 million in the six months ended June 30, 2003. The increase was due in part to an increase in the average number of non-billable professionals to 105 for the six months ended June 30, 2004 from 65 for the six months ended June 30, 2003 and their related compensation and benefit costs of $7.9 million in the six months ended June 30, 2004 compared to $4.2 million in the six months ended June 30, 2003. The six months ended June 30, 2004 also included $0.6 million in employee severance and anticipated litigation settlement charges recorded in the second quarter. The remaining increase in selling, general and administrative costs in the six months ended June 30, 2004 compared to the same period in the prior year was due to increases in rent and other facility costs, promotion and marketing costs and other administrative costs associated with the general growth in business activity. We expect operating expenses will increase in the future in response to ongoing growth in business activity and new costs associated with being a public company.

Depreciation expense increased $0.5 million to $1.1 million in the six months ended June 30, 2004 from $0.6 million in the six months ended June 30, 2003 as computers and leasehold improvements were added to support our increase in employees. There was no amortization expense in the six months ended June 30, 2004 compared to $2.1 million in the six months ended June 30, 2003. The decrease in amortization expense in the six months ended June 30, 2004 was due to the amortization of the $5.5 million in intangible costs paid in 2002 to obtain the release of certain of our employees from non-competition agreements with Arthur Andersen LLP, their former employer, and the related assumption of $0.8 million in liabilities, both of which were fully amortized by December 31, 2003.

Other operating expenses in the six months ended June 30, 2004 consisted of a $2.1 million pre-tax restructuring charge associated with the closing of two small, underperforming offices in Miami, Florida and Palo Alto, California. The charge consisted of approximately $2.0 million for severance payments for the ten employees formerly employed at these locations and an accrual of $0.1 million for office lease payments, which were paid by August 31, 2004. Three of the ten employees had contracts guaranteeing them base salary and bonus if terminated under certain circumstances.

In September 2004, we decided to eliminate a service offering of a practice area in our operational consulting segment that was not meeting our expectations. Additionally, in a continual effort to streamline our operations and allocate resources more appropriately, we reduced our headcount in certain other practice areas across both segments. As such, we expect third quarter 2004 operating expenses to include charges of approximately $2.1 million for severance payments. In connection with these actions, we expect to realize cost savings over the next twelve months of approximately $3.5 million principally from compensation savings beginning in the fourth quarter of 2004. We expect that these cost savings will to some extent be offset by some related lost service offering revenue and additional costs as we increase headcount in other practice areas.

Operating income

Operating income increased $9.2 million, or 242.1%, to $13.0 million in the six months ended June 30, 2004 from $3.8 million in the six months ended June 30, 2003, primarily as a result of the changes in revenues, direct costs and operating expenses discussed above. Operating margin, which is defined as operating income expressed as a percentage of revenues, increased to 15.9% in the six months ended June 30, 2004 from 8.1% in the six months ended June 30, 2003.

Segment results

Financial Consulting

Revenues

Financial Consulting segment revenues increased $17.3 million, or 51.6%, to $50.8 million for the six months ended June 30, 2004 from $33.5 million for the six months ended June 30, 2003. Revenues from time-and-expense engagements increased $15.6 million, or 51%, to $46.2 million for the six months ended June 30, 2004 from $30.6 million for the six months ended June 30, 2003. Revenues from fixed-fee engagements increased $0.4 million, or 15.4%, to $3.0 million for the six months ended June 30, 2004 from $2.6 million for the six months ended June 30, 2003. Revenues from performance-based engagements increased $1.3 million, or 433.3%, to $1.6 million for the six months ended June 30, 2004 from $0.3 million for the six months ended June 30, 2003. Performance-based fee revenues for the six months ended June 30, 2004 consisted of fees recognized in the second quarter of 2004 relating to the successful completion of a series of asset sales transactions managed on behalf of a single client over a two-year period.

The overall $17.3 million increase in revenues resulted from a $14.4 million increase in revenues attributable to an increase in billable hours associated with the hiring of additional consultants and a $3.4 million increase in revenues attributable to an increase in the average billing rate per hour, which were partially offset by a $0.5 million decrease in revenues attributable to a decrease in our utilization rate. The average number of consultants increased to 308 for the six months ended June 30, 2004 from 206 for the six months ended June 30, 2003 as we added a substantial number of consultants across all of our practices to meet growing demand for our services. The average billing rate per hour increased to $252 for the six months ended June 30, 2004 from $236 for the six months ended June 30, 2003. The increased headcount and average billing rate per hour were partially offset by a decrease in our utilization rate to 73.1% for the six months ended June 30, 2004 from 74.1% for the six months ended June 30, 2003.

Operating income

Financial Consulting segment operating income increased $7.4 million, or 57.4%, to $20.3 million in the six months ended June 30, 2004 from $12.9 million in the six months ended June 30, 2003. Operating income associated with the $1.6 million success fee recognized in the second quarter of 2004 was $1.3 million. Segment operating margin, defined as segment operating income expressed as a percentage of segment revenues, increased to 39.9% in the six months ended June 30, 2004 from 38.6% in the six months ended June 30, 2003, primarily as a result of the increase in revenues discussed above, partially offset by an increase in direct costs and selling, general and administrative expenses.

Operational Consulting

Revenues

Operational Consulting segment revenues increased $17.4 million, or 129.9%, to $30.8 million for the six months ended June 30, 2004 from $13.4 million for the six months ended June 30, 2003. Revenues from time-and-expense engagements increased $10.0 million, or 102.0%, to $19.8 million for the six months ended June 30, 2004 from $9.8 million for the six months ended June 30, 2003. Revenues from fixed-fee engagements increased $4.3 million, or 159.3%, to $7.0 million for the six months ended June 30, 2004 from $2.7 million for the six months ended June 30, 2003. Revenues from performance-based engagements increased $3.1 million, or 344.4%, to $4.0 million for the six months ended June 30, 2004 from $0.9 million for the six months ended June 30, 2003.

Of the overall $17.4 million increase in revenues, $13.7 million was attributable to an increase in billable hours associated with the hiring of additional consultants, $3.2 million was attributable to an increase in the average billing rate per hour and $0.5 million was attributable to an increase in our utilization rate. The average number of consultants increased to 201 for the six months ended June 30, 2004 from 112 for the six months ended June 30, 2003 as we added a substantial number of consultants across all of our practices to meet growing demand for our services. The average billing rate per hour increased to $219 for the six months ended June 30, 2004 from $197 for the six months ended June 30, 2003. In addition, our utilization rate increased to 72.0% for the six months ended June 30, 2004 from 69.3% for the six months ended June 30, 2003.

Operating income

Operational Consulting segment operating income increased $7.2 million, or 240.0%, to $10.2 million in the six months ended June 30, 2004 from $3.0 million in the six months ended June 30, 2003. Segment operating margin increased to 33.3% in the six months ended June 30, 2004 from 22.6% in the six months ended June 30, 2003, primarily as a result of the increase in revenues discussed above, partially offset by an increase in direct costs and selling, general and administrative expenses.

Year ended December 31, 2003 compared to period from March 19, 2002 (inception) through December 31, 2002

Revenues

Revenues increased $66.4 million, or 189.2%, to $101.5 million for the year ended December 31, 2003 from $35.1 million for the partial year ended December 31, 2002. Revenues from time-and-expense engagements increased $55.6 million, or 182.3%, to $86.1 million for the year ended December 31, 2003 from $30.5 million for the partial year ended December 31, 2002. Revenues from fixed-fee engagements increased $8.0 million, or 195.1%, to $12.1 million for the year ended December 31, 2003 from $4.1 million for the partial year ended December 31, 2002. Revenues from performance-based engagements increased $2.8 million to $3.3 million for the year ended December 31, 2003 from $0.5 million for the partial year ended December 31, 2002.

The overall $66.4 million increase in revenues resulted from a $55.9 million increase in revenues attributable to an increase in billable hours associated with the hiring of additional consultants and 2003 having twelve months of operations versus the first eight months of our operations in the 2002 period, a $5.1 million increase in revenues attributable to an increase in the average billing rate per hour and a $5.4 million increase in revenues attributable to an increase in our utilization rate. The average number of consultants increased to 365 for the year ended December 31, 2003 from 247 for the partial year ended December 31, 2002 as we added a substantial number of consultants across all of our practices to meet growing demand for our services. The average billing rate per hour increased to $217 for the year ended December 31, 2003 from $206 for the partial year ended December 31, 2002. In addition, our utilization rate increased to 66.1% for the year ended December 31, 2003 from 57.3% in the partial year ended December 31, 2002. Utilization for the year ended December 31, 2003 was influenced by two large time-sensitive engagements involving a large number of consultants.

Direct costs

Our direct costs increased $43.3 million, or 165.9%, to $69.4 million in the year ended December 31, 2003 from $26.1 million in the partial year ended December 31, 2002. This increase in cost was primarily attributable to the increase in the average number of consultants described above.

Operating expenses

Selling, general and administrative expenses increased $16.4 million, or 186.4%, to $25.2 million in the year ended December 31, 2003 from $8.8 million in the partial year ended December 31, 2002. The increase was due in part to an increase in the average number of non-billable professionals to 76 for the year ended December 31, 2003 from 45 for the partial year ended December 31, 2002 and their related compensation and benefit costs of $9.0 million in the year ended December 31, 2003 compared to $3.2 million in the partial year ended December 31, 2002. Office and equipment rentals increased to $4.5 million in the year ended December 31, 2003 from $1.1 million in the partial year ended December 31, 2002 as a result of increased office space and other facility costs associated with our quickly growing consultant and administrative workforce.

Depreciation expense increased $1.2 million to $1.6 million in the year ended December 31, 2003 from $0.4 million in the partial year ended December 31, 2002 as we added computers and leasehold improvements during 2003 to support our increase in employees. Amortization expense increased $1.1 million to $3.7 million in the year ended December 31, 2003 from $2.6 million in the partial year ended December 31, 2002. The increase in amortization expense was due to the amortization of the $5.5 million in intangible costs paid in 2002 to obtain the release of certain of our employees from non-competition agreements with Arthur Andersen LLP, their former employer, and the related assumption of $0.8 million in liabilities, both of which were fully amortized by December 31, 2003.

Other operating expenses in the year ended December 31, 2003 consisted of a $1.7 million charge for the loss associated with the abandonment of an office lease while the partial year ended December 31, 2002 consisted of a $2.5 million expense related to management fees paid to an affiliate of Lake Capital Partners LP, which along with Lake Capital Management LLC controls our parent, HCG Holdings LLC, a $0.2 million expense related to advisory fees paid to an affiliate of PPM America, Inc., which is a member of HCG Holdings LLC, and $1.0 million in other organization costs associated with the formation of our company.

Operating loss

The operating loss for the year ended December 31, 2003 amounted to $0.2 million as compared to an operating loss of $6.5 million for the partial year ended December 31, 2002.

Segment results

Financial Consulting

Revenues

Financial Consulting segment revenues increased $47.5 million, or 212.1%, to $69.9 million for the year ended December 31, 2003 from $22.4 million for the partial year ended December 31, 2002. Revenues from time-and-expense engagements increased $44.4 million, or 224.2%, to $64.2 million for the year ended December 31, 2003 from $19.8 million for the partial year ended December 31, 2002. Revenues from fixed-fee engagements increased $2.3 million, or 88.5%, to $4.9 million for the year ended December 31, 2003 from $2.6 million for the partial year ended December 31, 2002. Revenues from performance-based engagements were $0.8 million for the year ended December 31, 2003, and there were no revenues from performance-based engagements in 2002.

The overall $47.5 million increase in revenues resulted from a $36.9 million increase in revenues attributable to an increase in billable hours associated with the hiring of additional consultants and 2003 having twelve months of operations versus the first eight months of our operations in the 2002 period, a $6.1 million increase in revenues attributable to an increase in the average billing rate per hour and a $4.5 million increase in revenues attributable to an increase in our utilization rate. The average number of consultants increased to 227 for the year ended December 31, 2003 from 163 for the partial year ended December 31, 2002 as we added a substantial number of consultants across all of our practices to meet growing demand for our services. The average billing rate per hour increased to $233 for the year ended December 31, 2003 from $212 for the partial year ended December 31, 2002. In addition, our utilization rate of 66.8% for the year ended December 31, 2003 was up from 55.7% for the partial year ended December 31, 2002.

Operating income

Financial Consulting segment operating income increased $18.1 million, or 464.1%, to $22.0 million in the year ended December 31, 2003 from $3.9 million in the partial year ended December 31, 2002. Segment operating margin improved to 31.5% in the year ended December 31, 2003 from 17.5% in the partial year ended December 31, 2002 due to increased revenues and improved utilization rates of 66.8% for the year ended December 31, 2003 from 55.7% for the partial year ended December 31, 2002.

Operational Consulting

Revenues

Operational Consulting segment revenues increased $18.8 million, or 148.0%, to $31.5 million for the year ended December 31, 2003 from $12.7 million for the partial year ended December 31, 2002.

Revenues from time-and-expense engagements increased $11.2 million, or 104.7%, to $21.9 million for the year ended December 31, 2003 from $10.5 million for the partial year ended December 31, 2002. Revenues from fixed-fee engagements increased $5.7 million to $7.2 million for the year ended December 31, 2003 from $1.5 million for the partial year ended December 31, 2002. Revenues from performance-based engagements increased $1.9 million to $2.4 million for the year ended December 31, 2003 from $0.5 million for the partial year ended December 31, 2002.

The overall $18.8 million increase in revenues resulted from an $18.8 million increase in revenues attributable to an increase in billable hours associated with the hiring of additional consultants and 2003 having twelve months of operations versus the first eight months of our operations in the 2002 period and a $1.0 million increase in revenues attributable to an increase in our utilization rate, which were partially offset by a $1.0 million decrease in revenues attributable to a decrease in the average billing rate per hour. The average number of consultants increased to 138 for the year ended December 31, 2003 from 84 for the partial year ended December 31, 2002. Our utilization rate of 65.0% for the year ended December 31, 2003 was up from 60.5% for the partial year ended December 31, 2002. The average billing rate per hour decreased to $189 for the year ended December 31, 2003 from $195 for the partial year ended December 31, 2002.

Operating income

Operational Consulting segment operating income increased $1.9 million, or 54.3%, to $5.4 million in the year ended December 31, 2003 from $3.5 million in the partial year ended December 31, 2002. Segment operating margin decreased to 17.1% in the year ended December 31, 2003 from 27.8% in the partial year ended December 31, 2002 primarily due to investments made during 2003 to start a new practice and expand our capabilities in an existing practice in this segment. A total of 38 consultants were hired for the new and expanded practices during the course of 2003 and revenue generation lagged our investments in payroll and sales and marketing costs.

Selected quarterly consolidated financial and other operating data

The following table sets forth selected unaudited quarterly operating information for each of the nine quarters during the period from April 1, 2002 to June 30, 2004. We did not have any operations during the period from March 19, 2002 (inception) to March 31, 2002. The following quarterly consolidated financial data has been prepared on the same basis as, and should be read together with, the audited financial statements and related notes contained elsewhere in this prospectus and includes all normal recurring adjustments necessary for the fair presentation of the information for the periods presented. Results for any fiscal quarter are not necessarily indicative of results for the full year or for any future quarter.

	Three months ended								
Consolidated quarterly financial data:	**June 30, 2002**	**Sep. 30, 2002**	**Dec. 31, 2002**	**Mar. 31, 2003**	**June 30, 2003**	**Sep. 30, 2003**	**Dec. 31, 2003**	**Mar. 31, 2004**	**June 30, 2004**
	(unaudited) (in thousands, except other operating data amounts)								
Revenues and reimbursable expenses:									
Revenues	$ 6,320	$ 12,994	$ 15,787	$ 23,212	$ 23,711	$ 25,549	$ 29,014	$ 40,101	$ 41,503
Reimbursable expenses	478	1,063	1,380	2,069	1,837	2,105	2,797	3,443	3,647
Total revenues and reimbursable expenses	6,798	14,057	17,167	25,281	25,548	27,654	31,811	43,544	45,150
Direct costs and reimbursable expenses:									
Direct costs	5,417	9,909	10,729	13,581	15,739	19,055	21,026	24,868	22,723
Reimbursable expenses	478	1,063	1,380	2,069	1,848	2,138	2,874	3,523	3,542
Total direct costs and reimbursable expenses	5,895	10,972	12,109	15,650	17,587	21,193	23,900	28,391	26,265
Gross profit	903	3,085	5,058	9,631	7,961	6,461	7,911	15,153	18,885
Operating expenses:									
Selling general and administrative expenses	1,538	3,485	3,790	4,826	6,267	6,616	7,476	8,158	9,682
Depreciation and amortization expense	602	1,166	1,280	1,290	1,368	1,492	1,178	603	472
Other operating expenses	2,168	1,425	122	—	—	1,668	—	2,139	—
Total operating expenses	4,308	6,076	5,192	6,116	7,635	9,776	8,654	10,900	10,154
Operating (loss) income	(3,405)	(2,991)	(134)	3,515	326	(3,315)	(743)	4,253	8,731
Other expense	—	133	200	199	331	217	221	245	270
(Loss) income before (benefit) provision for income taxes	(3,405)	(3,124)	(334)	3,316	(5)	(3,532)	(964)	4,008	8,461
(Benefit) provision for income taxes	(1,362)	(1,236)	(99)	1,375	76	(1,367)	(206)	1,661	3,576
Net (loss) income	(2,043)	(1,888)	(235)	1,941	(81)	(2,165)	(758)	2,347	4,885
Accrued dividends on 8% preferred stock	135	255	256	253	263	275	275	273	285
Net (loss) income attributable to common stockholders	$ (2,178)	$ (2,143)	$ (491)	$ 1,688	$ (344)	$ (2,440)	$ (1,033)	$ 2,074	$ 4,600
Other operating data:									
Number of consultants (at period end)(1)	236	255	262	294	355	449	477	483	499
Utilization rate(2)	49.6%	53.7%	64.6%	75.8%	69.4%	60.6%	62.7%	73.4%	71.8%
Average billing rate per hour(3)	$ 211	$ 207	$ 202	$ 228	$ 220	$ 215	$ 210	$ 229	$ 248

(1) Consultants consist of our billable professionals.

(2) We calculate the utilization rate for our consultants by dividing the number of hours all of our consultants worked on client assignments during a period by the total available working hours for all of our consultants during the same period, assuming a forty-hour work week, less paid holidays and vacation days.

(3) Average billing rate per hour is calculated by dividing revenues for a period by the number of hours worked on client assignments during the same period.

Our future operating results are difficult to predict and may vary significantly. Revenues and operating results fluctuate from quarter to quarter as a result of numerous factors, including the following:

- the size and number of client engagements commenced and completed during a quarter;
- utilization rates, which in turn can be affected by increased hiring, as there is generally a transition period for new consultants that results in a temporary drop in utilization;
- the number of business work days in a quarter;
- the number of consultants; and
- the achievement of milestones under performance-based engagements.

Although our fee structure is variable, our direct costs, which include primarily consultant payroll costs, are fixed within the short-term. Consequently, a variation in the number or size of client engagements or the timing of the initiation or the completion of client engagements can cause significant variations in operating results from quarter-to-quarter.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash flows from operations, debt capacity available under our credit facility and available cash reserves. Our primary financing need has been to fund our growth.

Operating activities

Cash flows generated by operating activities totaled $0.9 million for the six months ended June 30, 2004 and $0.1 million for the six months ended June 30, 2003. The increase in cash provided by operations for the six months ended June 30, 2004 was primarily attributable to higher net income, partially offset by increases in working capital. Receivables from clients and unbilled services increased $12.2 million during the six months ended June 30, 2004 primarily as a result of revenue increases in the latter portion of the second quarter of 2004 that were not billed prior to June 30, 2004. During the six months ended June 30, 2004, there was also a $1.1 million use of funds for other current assets, which included $0.5 million of prepaid costs associated with this offering, and a $0.4 million use of funds for the change in accrued interest payable relating to annual interest payments made on the $10.1 million in 8% promissory notes payable to our parent, HCG Holdings LLC. These uses of funds were partially offset by a $2.3 million reduction in our income tax receivable and a $0.7 million increase in our income tax payable in the first six months of 2004, as well as an increase in accounts payable, accrued expenses and accrued payroll and related benefits.

As the result of the increase in cash provided by operations described above, offset by the uses of cash for investing and financing activities noted below, cash and cash equivalents declined to $0.9 million at June 30, 2004 from $4.3 million at December 31, 2003.

Cash flow generated by operating activities totaled $4.0 million for the year ended December 31, 2003 compared to cash used in operating activities of $9.8 million for the partial year ended December 31, 2002. The increase in cash provided by operations for the year ended December 31, 2003 was primarily attributable to revenue growth in excess of the growth in operating expenses when compared to the partial year ended December 31, 2002, which had eight months of operations, and various start-up costs associated with the commencement of operations.

Our balance of cash and cash equivalents was $4.3 million at December 31, 2003, a decrease of $0.1 million, or 2.3%, from the $4.4 million balance at December 31, 2002.

Investing activities

Cash used by investing activities was $3.0 million for the six months ended June 30, 2004 and $2.1 million for the six months ended June 30, 2003. Use of cash in both periods pertained to the purchase of computer hardware and software, furniture and fixtures and leasehold improvements needed to meet the ongoing needs relating to the hiring of additional employees and the expansion of office space.

Cash used by investing activities was $4.2 million for the year ended December 31, 2003 and $8.6 million for the partial year ended December 31, 2002. In the partial year ended December 31, 2002, we paid $5.5 million to obtain the release of certain employees from non-competition agreements with Arthur Andersen LLP, their former employer, and $0.8 million of certain related liabilities. In addition, we paid $2.3 million in the partial year ended December 31, 2002 for the purchase of computer hardware and software, furniture and fixtures and leasehold improvements relating to the hiring of employees and establishment of new offices. Capital expenditures for the purchase of property and equipment, including computer hardware and software, furniture and fixtures and leasehold improvements, were the primary use of cash in the year ended December 31, 2003, as business expansion and the hiring of new employees continued during the course of the year. We estimate that our capital expenditures in 2004 will be approximately $6.5 million for the purchase of additional computers, furniture and fixtures and leasehold improvements as our business continues to expand.

Financing activities

Between April and June 2002, in connection with our initial capitalization, we issued to our parent, HCG Holdings LLC, an aggregate of 12,500 shares of our 8% preferred stock for an aggregate consideration of $12.5 million and an aggregate of approximately 11,281,243 shares of our common stock at a purchase price of $0.02 per share for an aggregate consideration of approximately $0.3 million. Proceeds of approximately $10.1 million were also received from the issuance of 8% promissory notes to HCG Holdings LLC. We had no other borrowings outstanding as of December 31, 2002.

The terms of the 8% preferred stock contain specific provisions regarding redemption. Upon the consummation of this offering, we will exercise our option to redeem our outstanding 8% preferred stock for approximately $15.1 million, which is equal to their original issuance price plus cumulative dividends that will have accrued from the date of investment through the date of this prospectus at a rate of 8% per annum, compounded annually, together with a liquidation participation amount calculated as if we were liquidated as of the date of the redemption.

The terms of the 8% promissory notes require us to mandatorily prepay the outstanding principal immediately after a qualified public offering, including this offering. Accordingly, we will use approximately $10.7 million of our net proceeds from this offering to repay the outstanding 8% promissory notes, including accrued and unpaid interest, upon the consummation of this offering. For further information, see "Use of proceeds" and "Certain relationships and related transactions."

In 2003, our wholly-owned operating subsidiary, Huron Consulting Services LLC, entered into a bank credit agreement that allowed it to borrow up to the lesser of $5.0 million or 75% of eligible accounts receivable, as defined by the terms of the agreement. Borrowings under the agreement are also limited by any outstanding letters of credit. Borrowings under the agreement bear interest at either the prime rate or LIBOR plus 2.75%, and are secured by substantially all of our assets. We had no borrowings outstanding as of December 31, 2003; however, available borrowings under the agreement were limited to $4.0 million as of that date due to two outstanding letters of credit provided as security for our

Chicago and New York office leases and totaling $750,000 and $236,000, respectively. Our bank credit agreement includes covenants for minimum equity and maximum annual capital expenditures as well as covenants restricting our ability to incur additional indebtedness or engage in certain types of transactions outside of the ordinary course of business. The minimum equity covenant originally required that the sum of paid-in capital and net income of Huron Consulting Services LLC, less any distributions made by Huron Consulting Services LLC, be at least $18.5 million at any time. The capital expenditures covenant originally prohibited Huron Consulting Services LLC from incurring expenditures for the acquisition of fixed assets in excess of $2.5 million in the aggregate in any fiscal year. The dollar amounts specified in these covenants have since been revised as described below.

During 2004, we received two separate waivers from the bank that extended by thirty days each the due date for the 2003 audited financial statements and one waiver that allowed Huron Consulting Services LLC to exceed its limitation on distributions to Huron Consulting Group Inc. Generally, the bank credit agreement limited the amount of distributions Huron Consulting Services LLC could make to 50% of its net income. Huron Consulting Services LLC made a $277,146 distribution to Huron Consulting Group Inc. in January 2004. Our bank credit agreement was amended in February 2004 to remove the limitations on distributions by Huron Consulting Services LLC. During 2003, we received a waiver from the bank that effectively increased the capital expenditure limit from $2.5 million to $4.5 million and ultimately, by amendment, to $7.5 million. We also received a letter of compliance confirmation from the bank for the 30-day clean up provision, which requires that we have an uninterrupted 30-day period each year with no loans outstanding under the agreement.

Before expiring in January 2004, our bank credit agreement was amended to extend the term to February 10, 2005 and to increase the total availability to the lesser of $15.0 million or the sum of (a) 75% of eligible accounts receivable and (b) the lesser of 30% of unbilled services and $3.0 million. Borrowings under the agreement are also still limited by any outstanding letters of credit. The bank credit agreement was further amended in May 2004 to, among other things, clarify the minimum equity covenant and lower the minimum equity requirement to $10.5 million, and to permit certain asset sales outside the ordinary course of business.

As of June 30, 2004, we had no borrowings outstanding under our bank credit agreement and the balance available under the credit agreement was $13.3 million after the calculation of eligible accounts receivable and unbilled services balances and a reduction of approximately $1.7 million for letters of credit outstanding. The increase in letters of credit outstanding resulted from the Chicago lease security deposit requirement increasing from $750,000 to $1.5 million. We intend to use a portion of our net proceeds from this offering to repay any borrowings outstanding under the credit agreement at the time this offering is consummated.

On May 12, 2004, we declared a special dividend on each outstanding share of our common stock and 8% preferred stock payable to holders of record on May 25, 2004. We paid the special dividend on June 29, 2004. The 8% preferred stock participated on an as converted basis. The aggregate amount of the dividend was $1.25 million, or $0.09 per share of common stock and $22.18 per share of 8% preferred stock. The payment of the special dividend was funded by our available cash balance and by borrowing availability under our credit agreement, which we repaid the following day.

Future needs

As indicated in "Business—Growth Strategy" below, our plans include hiring additional consultants and expanding our service offerings through existing consultants, new hires or acquisitions. We intend to fund such growth over the next twelve months with funds generated from operations and borrowing availability under our credit agreement. For example, we used the $4.0 million of cash provided by operations in 2003 for capital expenditures to support our growing business. While our cash flows

generated by operations decreased from $4.0 million at December 31, 2003 to $0.9 million at June 30, 2004, this was primarily due to the timing of 2003 annual bonus payments of $7.7 million and current year growth in revenues that increased working capital balances for receivables and unbilled services by $12.2 million. Because we expect that our future annual growth rate in revenues and related percentage increases in working capital balances will moderate, we believe our cash from operations, supplemented as necessary by borrowings under our credit facility and the proceeds from this offering, will be adequate to fund this growth.

Over the longer term, we expect that cash flow from operations, supplemented by short and long term financing and the proceeds from this offering, as necessary, will be adequate to fund day-to-day operations and capital expenditure requirements. Our ability to secure short-term and long-term financing in the future will depend on several factors, including our future profitability, the quality of our accounts receivable and unbilled services, our relative levels of debt and equity and overall condition of the credit markets. Following this offering, the net proceeds remaining after repayment of our 8% promissory notes, redemption of the 8% preferred stock and repayment of outstanding indebtedness under our credit facility will be invested in short-term, interest bearing investment grade securities.

CONTRACTUAL OBLIGATIONS

The following tables represent our obligations and commitments to make future payments under contracts, such as lease agreements, and under contingent commitments as of December 31, 2003.

	Less than 1 year	1-3 years	4-5 years	After 5 years	Total
			(in thousands)		
Operating leases	$ 3,322	$ 7,581	$ 6,820	$ 14,179	$ 31,902
Long-term debt (consisting of 8% promissory notes)	—	—	10,076	—	10,076
Total contractual obligations	$ 3,322	$ 7,581	$ 16,896	$ 14,179	$ 41,978

We lease our facilities and certain equipment under operating lease arrangements expiring on various dates through 2014. We lease office facilities under noncancelable operating leases that include fixed or minimum payments plus, in some cases, scheduled base rent increases over the term of the lease and additional rents based on the Consumer Price Index. Certain leases provide for monthly payments of real estate taxes, insurance and other operating expense applicable to the property. In addition, we lease equipment under noncancelable operating leases.

During 2002, we entered into promissory note agreements with our parent, HCG Holdings LLC, totaling $10.1 million. Interest on the promissory notes, which is payable annually, accrues at the rate of 8% per year. The notes mature five years and six months from the date of issuance. The notes may be prepaid at any time without penalty and prepayment is mandatory upon the occurrence of specified events, including the consummation of this offering. Accordingly, upon the consummation of this offering, we will use approximately $10.7 million of our net proceeds from this offering to repay the outstanding 8% promissory notes, including accrued and unpaid interest.

OFF BALANCE SHEET ARRANGEMENTS

We have not entered into any off-balance sheet arrangements.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks related to interest rates and changes in the market value of our investments. We do not enter into interest rate caps or collars or other hedging instruments. Our

exposure to changes in interest rates is limited to borrowings under the bank credit agreement, which has a variable interest rates tied to the LIBOR or prime rate. We had no borrowings outstanding under our bank credit agreement as of December 31, 2003 and June 30, 2004, and, as a result, any change in interest rates would not have a material effect on our financial position or operating results. From time to time, we invest excess cash in marketable securities. These investments principally consist of overnight sweep accounts. Due to the short maturity of our investments and debt obligations, we have concluded that we do not have material market risk exposure.

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2003, the Financial Accounting Standards Board, or FASB, issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires the issuer to classify a financial instrument that is within the scope of the standard as a liability if the financial instrument embodies an obligation of the issuer. The adoption of the provisions of SFAS No. 150 did not have any impact on our financial position or results of operations.

In November 2002, the FASB reached a consensus on EITF Issue No. 00-21. EITF Issue No. 00-21 provides guidance on how to account for revenue arrangements that include multiple products or services to ensure that all standalone deliverables are tracked, valued and accounted for on an individual basis and in the proper periods. The guidance in EITF Issue No. 00-21 is effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003. We have contracts with clients to deliver multiple services that are covered under both individual and separate engagement letters. These arrangements allow for our services to be valued and accounted for on a separate basis. Therefore, the adoption of EITF Issue No. 00-21 did not have any impact on our consolidated financial position or result of operations.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities and Interpretation of ARB No. 51," which is effective immediately for all variable interest entities created after January 31, 2003 and for the first fiscal year or interim period beginning after June 15, 2003 for variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. We do not have variable interest entities that fall within the scope of this pronouncement and therefore the adoption of this pronouncement did not have any impact on our financial statements.

In March 2004, the FASB issued an Exposure Draft on "Share-Based Payment, an amendment of FASB Statements No. 123 and 95." In this proposed statement, the FASB believes that employee services received in exchange for equity instruments give rise to recognizable compensation cost as the services are used in the issuing entity's operations. In addition, the proposed statement would require that public companies measure the compensation cost related to employee services received in exchange for equity instruments issued based on the grant-date fair value of those instruments. The FASB will also consider other items such as streamlining volatility assumptions and addressing the fair value measurement models. This proposed statement would neither change the accounting in SFAS No. 123, "Accounting for Stock-Based Compensation," for transactions in which an enterprise exchanges its equity instruments for services of parties other than employees nor change the accounting for stock ownership plans, which are subject to American Institute of Certified Public Accountants Statement of Position 93-6, "Employer's Accounting for Employee Stock Ownership Plans." The FASB intends to reconsider the accounting for those transactions and plans in a later phase of its project on equity-based compensation. Our management will continue to assess the potential impact this statement will have on us.

Business

OVERVIEW

We are an independent provider of financial and operational consulting services. Our highly experienced and credentialed professionals employ their expertise in accounting, finance, economics and operations to provide our clients with specialized analysis and customized advice and solutions that are tailored to address each client's particular challenges and opportunities. Our financial consulting services help clients effectively address complex challenges that arise from litigation, disputes, investigations, regulation, financial distress and other sources of significant conflict or change. Our operational consulting services help clients improve the overall efficiency and effectiveness of their operations, reduce costs, manage regulatory compliance and maximize procurement efficiency.

Our financial consulting services include:

- offering financial and economic analysis, forensic accounting and expert support and testimony services for organizations and their law firms in connection with litigation, business disputes and regulatory and internal investigations;
- providing restructuring, turnaround and bankruptcy advisory services for financially distressed organizations, creditors and other constituents; and
- performing valuations of businesses or assets to assist clients with financial reporting, tax compliance, damage or purchase price assessments and restructuring efforts.

Our operational consulting services include:

- assisting research universities and academic medical centers with research administration opportunities and challenges;
- assisting healthcare payors and providers improve the effectiveness of operations and reduce costs;
- helping large and middle-market organizations that have recently undergone a change in leadership, are integrating acquisitions or are coping with a change in competitive dynamics to address performance challenges and take advantage of opportunities;
- helping in-house legal departments improve their operations and reduce their costs; and
- developing and implementing procurement plans that provide savings throughout the sourcing process.

We commenced operations in May 2002 with a core group of experienced financial and operational consultants that consisted primarily of former Arthur Andersen LLP partners and professionals, including our chief executive officer, Gary E. Holdren. We created Huron because we believed that a financial and operational consulting business that is unaffiliated with a public accounting firm is better suited to serve its clients' needs. As an independent consulting firm, Huron is not subject to the legal restrictions placed on public accounting firms that prohibit them from providing certain non-audit services to their audit clients. We also believed that many other consulting firms provided only a limited scope of services and, therefore, a company such as ours with a wide array of services would be better positioned to serve the diverse and complex needs of various organizations.

We have grown significantly since we commenced operations, more than doubling the number of our consultants from 213 on May 31, 2002 to 486 on September 17, 2004. We have hired experienced professionals from a variety of organizations, including the four largest public accounting firms, referred

to as the Big Four, and other consulting firms. Our highly credentialed consultants include certified public accountants, MBAs, accredited valuation specialists and forensic accountants. As of September 17, 2004, we had 59 managing directors who are consultants. These individuals have an average of 20 years of business experience.

We provide our services to a wide variety of both financially sound and distressed organizations, including Fortune 500 companies, medium-sized and large businesses, leading academic institutions, healthcare organizations and the law firms that represent these various organizations. Since May 2002, we have conducted over 1,000 engagements for over 500 clients, and we have worked on engagements with 35 of the 40 largest U.S. law firms listed in *The American Lawyer* 2004 Am Law 100. In addition to our headquarters in Chicago, we have five other core offices located in Boston, Houston, New York City, San Francisco and Washington, D.C. and two smaller offices located in Charlotte and Los Angeles.

INDUSTRY BACKGROUND

We believe many organizations are facing increasingly large and complex business disputes and lawsuits, a growing number of regulatory and internal investigations and more intense public scrutiny. Concurrently, we believe increased competition and regulation are presenting significant operational and financial challenges for organizations. Distressed companies are responding to these challenges by restructuring and reorganizing their businesses and capital structures, while financially healthy organizations are striving to capitalize on opportunities by improving operations, reducing costs and enhancing revenue. Many organizations have limited dedicated resources to respond effectively to these challenges and opportunities. Consequently, we believe these organizations will increasingly seek to augment their internal resources with experienced independent consultants like us.

We believe the demand for our services is driven by the following factors:

- **SEC and internal investigations.** The increased scrutiny of accounting practices, internal controls and disclosure has contributed to the large number of financial restatements by public companies. In response to a number of recent incidences of corporate malfeasance and accounting irregularities, the SEC has conducted an increasing number of public company investigations over the past few years. In 2003, the SEC initiated 679 enforcement actions—81 more than in any other prior year—including nearly 200 actions involving financial fraud or reporting violations. For fiscal year 2005, the President has requested a record $913 million budget, 13% above the prior fiscal year's appropriation, to hire more staff and continue to enhance SEC oversight and investigation initiatives. In addition, an increasing number of boards of directors, audit committees and special independent committees of companies that have had to review their historical financials or respond to complaints by whistleblowers have conducted internal forensic investigations to determine the underlying facts. These dynamics have driven demand for independent financial consultants like us who help clients respond to SEC investigations, evaluate restatements of financial statements and support internal investigations by combining investigative accounting and financial reporting skills with business and practical experience.
- **Litigation and disputes.** Litigation and business disputes are prevalent in the United States and, we believe, the volume of this activity does not necessarily correlate with the economic cycle. The breadth and magnitude of these matters is increasing. For example, antitrust investigation and enforcement activities by federal, state and local authorities present heightened complexities and risks for companies in the areas of mergers and acquisitions, pricing policies, distribution relationships and patent and intellectual property matters. In addition, private parties can bring antitrust claims asserting a variety of violations. In complex litigation and disputes, organizations and the law firms that represent them regularly engage experienced consultants to provide or support expert testimony or perform data analyses involving financial, economic and accounting issues.

- **Sarbanes-Oxley and stockholder activism.** The enactment of the Sarbanes-Oxley Act of 2002 has substantially limited the scope of non-audit services that large public accounting firms, such as the Big Four, can provide to their audit clients. We believe these limitations represent a significant opportunity for independent consulting firms. A study done by the Investor Responsibility Research Center in February 2002 of 1,224 public U.S. companies estimated that 72%, or approximately $4.0 billion, of the fees these companies paid to the accounting firm that conducted their audit in fiscal 2000 were for non-audit services. Although a substantial amount of this spending was for tax services, which we do not provide, we believe there is still a significant opportunity to provide the other non-audit services. Further, certain influential institutional investors, citing concerns over perceived conflicts of interest, have opposed the ratification of auditors and the election of directors of companies that engage their auditors to perform permissible non-audit services. We believe that the restrictions of Sarbanes-Oxley, stockholder opposition to auditors performing consulting services for their audit clients and the relatively small number of large public accounting firms will lead many clients to choose independent consulting firms over the Big Four when seeking providers of various consulting services.
- **Operational challenges and opportunities.** Organizations must constantly reevaluate business processes in order to manage change and risk and minimize or recover costs. For example, in the healthcare industry, the steady flow of changes that affect healthcare funding, treatments, delivery and administration increase the difficulty in managing a complex mix of factors, including rising healthcare costs and insurance premiums and the increasing number of uninsured citizens. In the higher education industry, research universities and academic medical centers must develop and maintain programs to effectively manage research compliance risks and implement systems that support the recovery of research costs. Additionally, the difficulties of managing a large number of legal matters compels in-house legal departments to seek ways to improve their efficiency and effectiveness, which drives demand for consultants specializing in legal department operations. In general, a variety of organizations seek to improve their procurement efficiencies, improve operational processes and reduce costs. We believe that in seeking to meet these challenges and capitalize on these opportunities, organizations will increasingly augment their internal resources with consultants who can provide a combination of industry expertise and strong technical skills.
- **Improving economic conditions and merger and acquisition activity.** Despite depressed levels in recent years, there was a rebound in merger and acquisition, or M&A, activity in the first six months of 2004 amidst an improvement in general economic conditions. According to Dealogic, the aggregate dollar value of announced M&A transactions with a deal value of under $5 billion increased approximately 33% in the first six months of 2004 compared to the first six months of 2003. We believe M&A activity creates demand for financial consulting services, such as purchase price allocations and other similar valuation services and dispute and litigation services, as well as operational consulting services, such as performance improvement and strategic sourcing.
- **Financial distress.** Despite the recent decline in corporate bankruptcy filings, we believe there will continue to be a sufficient number of bankruptcies of the size and complexity that typically require debtors and other constituents to retain the services of financial advisors. Additionally, we believe there is an ongoing need for restructuring and turnaround consulting services to assist financially distressed, under-performing and debt-laden companies and their stakeholders outside of the bankruptcy process.

OUR COMPETITIVE STRENGTHS

We believe the following key strengths will enable us to take advantage of the industry trends described above and help us compete effectively in the consulting marketplace:

- **Experienced and highly qualified consultants.** We believe the principal reason clients choose a particular consulting firm is the experience of the firm’s professionals. As of September 17, 2004, our

59 managing directors who are consultants have an average of 20 years of business experience and come from a wide array of organizations, including national accounting firms and other consulting firms. Our consultants combine proficiency in accounting, finance, economics and operations with deep knowledge of specific industries. In addition, many of our consultants are highly credentialed and include certified public accountants, MBAs, accredited valuation specialists and forensic accountants.

- **Independent provider of financial and operational consulting services.** We are not affiliated with an accounting firm and, therefore, we are not constrained by the provisions of Sarbanes-Oxley that limit an accounting firm's ability to provide non-audit services to its audit clients. We believe that these restrictions, together with the perceived conflicts of interests inherent with auditors providing consulting services to their audit clients, provide us with a competitive advantage over public accounting firms in securing consulting engagements. We also believe that the relatively small number of large public accounting firms will lead some organizations to engage independent consultants like us to preserve their flexibility to hire large public accounting firms for audit or other attest services.
- **Complementary service offerings and integrated approach.** Many problems faced by organizations involve broad but interrelated operational and financial issues that require creative solutions drawn from various areas of expertise. We offer a broad array of financial and operational consulting services that can be delivered through teams of consultants from our different practices. Our integrated approach enables us to provide solutions tailored to specific client needs. For example, in a securities fraud lawsuit, we can deploy a team of forensic accountants to review a client's historical accounting and financial reporting practices and a valuation specialist to perform impairment analyses. In addition, our range of service offerings reduces our dependence on any one service offering or industry, provides a stimulating work environment for our consultants and enhances our flexibility in managing the utilization and career development of our directors, managers, associates and analysts.
- **Distinctive culture.** We believe we have been successful in attracting and retaining top talent because of our distinctive culture, which combines the energy and flexibility of a high-growth company with the professionalism of a major professional services firm. To preserve our distinctive culture, our chief executive officer or chief operating officer has personally interviewed each managing director candidate prior to making an offer of employment. We believe our performance-based compensation program, which both recognizes individual performance and reinforces teamwork, also contributes to our recruiting and retention success. In our view, these elements combine to create an environment in which talented, self-directed professionals want to build a long-term career.

OUR GROWTH STRATEGY

Our strategy to increase our revenues and grow our company involves the following key elements:

- **Attracting additional highly qualified consultants.** From May 31, 2002 through September 17, 2004, we more than doubled the number of our consultants from 213 to 486. We have six human resource professionals dedicated to recruiting employees who will complement and add depth to our broad array of existing consulting skills. We believe our stimulating work environment, performance-based compensation program and distinctive culture will enable us to attract additional top talent from other consulting firms, accounting firms, targeted industries and on-campus recruiting. Although we do not expect to add employees at our historical growth rate, we expect to continue to hire a meaningful number of new consultants in the future as demand for our various services continues to grow. The actual number and experience level of consultants to be hired will be in response to our assessments of future market conditions and demand for our services. In the near term, our focus will primarily be on hiring and developing additional managers, associates and analysts to expand support for our existing practices and better leverage the managing directors and directors that we hired in 2003. We will also continue in the near term to hire talented managing directors to build our business.

- **Growing our existing relationships and developing new relationships.** We work hard to maintain and grow our existing client and law firm relationships. The goodwill created from these relationships leads to referrals from satisfied clients and their law firms, which also enables us to secure engagements with new clients.
- **Continuing to promote and deliver an integrated approach to service delivery.** We will continue to utilize our experience with the financial and operational challenges facing our clients to identify and provide additional value-added services as part of an integrated solution. Frequently, a particular engagement is expanded or a new engagement secured with an existing client as a direct result of our quality work for that client. To promote the teamwork required to provide integrated solutions, we evaluate and compensate individuals based on their contributions to our entire organization, not just on the performance of their particular engagements or practices.
- **Continuing to build our brand.** We intend to continue to build our reputation and a common identity for the services we provide under the Huron brand name. We believe that using a common brand name and identity for our services enhances our visibility in the marketplace and improves our ability to compete for new business. To enhance our brand, we actively promote our name and capabilities through our sales and marketing activities, such as participation in seminars, sponsorship of client events and publication of articles in industry periodicals. We also are continuing to develop internal quality assurance programs to support our goal of consistently providing high quality, client-focused services.
- **Expanding our service offerings.** We believe there will be opportunities to expand our current capabilities or broaden the scope of our existing services, and we will evaluate these in response to client and general market demands. If we choose to expand our service offerings, we believe that we can grow our business to address such expansion with our existing consultants or a combination of existing consultants and new hires. We may also evaluate select acquisitions of complementary businesses as another means to broaden the scope or depth of our capabilities and expand our client base.

Our ability to implement our growth strategy is subject to a number of risks, including those described under the section of this prospectus entitled “Risk Factors” concerning our consultants, our reputation, new service offerings and our intellectual property.

OUR SERVICES

We provide our services through two segments: Financial Consulting and Operational Consulting. For the year ended December 31, 2003 and the six months ended June 30, 2004, we derived 68.9% and 62.3%, respectively, of our revenues from Financial Consulting and 31.1% and 37.7%, respectively, from Operational Consulting. For further information on our segment results, see the section of this prospectus entitled “Management’s discussion and analysis of financial condition and results of operations” and Note 12 to our consolidated financial statements included elsewhere in this prospectus.

Financial Consulting

Our Financial Consulting segment provides highly specialized financial and economic analysis and advice to help clients effectively address complex challenges that arise from litigation, disputes, investigations, regulation, financial distress and other sources of significant conflict or change. Our Financial Consulting segment consisted of 286 consultants as of September 17, 2004. This segment’s practices and the services they offer include:

- **Disputes and investigations.** Our disputes and investigations practice provides financial and economic analysis to support law firms and corporations in connection with business disputes, lawsuits and regulatory or internal investigations. We have extensive experience in the areas of financial investigations and forensic accounting, including matters involving SEC or other regulatory

inquiries or investigations, financial restatements and special accounting projects. We provide specialized accounting services to gather and analyze voluminous financial data and reconstruct complex transactions and events. In addition, we apply economic and econometric analyses in the areas of antitrust and anticompetitive practices, securities fraud, insurance claims and damages, as well as deliver or support independent expert testimony in such cases. We also provide services supporting clients' paper and electronic discovery/document management needs, including computer forensics.

- **Corporate advisory services.** Our corporate advisory services practice provides financial analysis to financially distressed companies, creditor constituencies and other stakeholders in connection with bankruptcy proceedings and out-of-court restructurings. For distressed companies, we assess the viability of their business and work closely with management to develop and implement a turnaround plan to improve cash flow and a debt-restructuring plan to improve their balance sheet. In some instances, we serve in interim management roles. When out-of-court solutions are not achievable, we assist clients with preparing for a Chapter 11 bankruptcy filing and with all aspects of the bankruptcy process by gathering, analyzing and presenting financial and business information needed to achieve a successful reorganization. We also provide claims management services to help companies process and analyze complex and voluminous claims filed in bankruptcies. For creditor constituencies, including committees of unsecured creditors, we provide similar financial analyses designed to maximize the recovery of amounts owed to creditors and assess the viability of a debtor's reorganization plan. Certain consultants in this practice also provide specialized financial advisory services to stakeholders in the energy industry.
- **Valuation services.** Our valuation services practice delivers expert valuation analysis to clients and their advisors. We perform valuations and appraisals of businesses and business interests, intellectual property, real property, machinery, equipment and other tangible and intangible assets. Our valuation services practice typically supports client needs in the following contexts:
  - transactions: supporting clients' financial and tax reporting, especially in the context of acquisitions and other corporate transactions;
  - litigation or disputes: valuing businesses or assets; and
  - bankruptcies: supporting the restructuring process or the sale of business assets.

Operational Consulting

Our Operational Consulting segment provides services designed to help clients improve the overall efficiency and effectiveness of their operations by enhancing revenue, reducing costs, managing regulatory compliance and maximizing procurement efficiencies. Our Operational Consulting segment consisted of 200 consultants as of September 17, 2004. This segment's practices and the services they offer include:

- **Higher education.** Our higher education practice provides operational consulting services to research universities and academic medical centers. We provide financial modeling, operational process redesign, strategic planning and assessments and advice on software selection and implementation, especially in connection with helping research universities address the challenges and complexities of administering research programs, including the complex requirements of federally-funded research. Our research administration services include compliance assessments, cost recovery services and operations assistance. We also have extensive experience implementing the PeopleSoft® Grants Suite as a technology solution to sponsored research administration challenges.
- **Healthcare.** Our healthcare practice helps healthcare providers and payors effectively address their strategic, operational and financial challenges. On the provider side, we help hospitals, physicians and other healthcare providers improve operations by performing assessments and implementing solutions

designed to reduce costs and increase effectiveness. Our engagements typically focus on revenue cycle and cash acceleration, supply chain improvements, strategic growth and planning, financial planning and physician services. For healthcare payors, we focus on compliance and government contracting issues, such as with Medicare, the U.S. health insurance program for people age 65 and older and certain others, and TRICARE, the U.S. military health system. Our Medicare contract services include Medicare contract transition and termination assistance, implementation of cost accounting standards, secondary payer analyses, strategic assessments and proposal support services. We also assist pharmaceutical companies with pricing analyses and related aspects of regulatory disclosures and calculations.

- **Strategic sourcing.** Our strategic sourcing practice works with clients to drive sustainable non-salary cost reductions. We help clients achieve significant savings by addressing the entire procurement process, including contract negotiations, vendor selection, consumption patterns, total cost of ownership, performance measurement, knowledge transfer and make-versus-buy decisions. We identify opportunities for measurable savings, develop approved action plans and guide the implementation of those plans to final conclusion. We have achieved substantial savings for clients in a wide variety of spend categories, including office-related products, telecommunications, IT hardware, software and services, insurance, printing services, travel and industry-specific categories.
- **Performance improvement.** Our performance improvement practice works with executive officers and other senior managers of large and middle-market organizations that have recently undergone a change in leadership, are integrating acquisitions or are coping with a change in competitive dynamics to address performance challenges and take advantage of opportunities. Our engagements typically aim to increase effectiveness of operations or decrease costs by developing and implementing solutions for clients in areas such as business process improvement, supply chain design, organization design and strategy.
- **Legal business consulting.** Our legal business consulting practice helps in-house legal departments enhance the quality of legal services while reducing costs by more efficiently aligning people, processes and technology. We provide strategic advice to help legal departments improve their organizational design, business processes and management of outside counsel. One area of special emphasis is helping clients to choose and implement technology-powered solutions that improve legal department operations. For instance, we have extensive experience in selecting, customizing and successfully rolling out matter management systems that help legal departments track and manage lawsuits and other legal matters. These systems are powerful tools for managing budgets, spending and resources. We also provide similar services for document-management systems, patent-management applications and electronic-billing systems.

OUR CLIENTS

We provide financial and operational consulting services to a wide variety of both financially sound and distressed organizations, including Fortune 500 companies, medium-sized and large businesses, academic institutions, healthcare organizations and the law firms that represent these various organizations. Our clients are in a broad array of industries, including education, professional services, transportation services, healthcare, telecommunications, financial services, electronics, consumer products, energy and utilities, industrial manufacturing and food and beverage. Since commencing operations in May 2002, we have conducted over 1,000 engagements for over 500 clients. Our top ten clients represented 32.1% of our revenues in the year ended December 31, 2003 and 32.5% of our revenues in the six months ended June 30, 2004. No single client accounted for more than 10% of our revenues in either of those periods. The following are examples of engagements that we have performed for our clients.

Financial Consulting

Practice(s)	Client need	Huron solution
Disputes and investigations and valuation services	Assist legal counsel for an audit committee of a public software company in connection with an SEC investigation and class action litigation	Ø Forensic accounting experts conducted a large-scale, in-depth financial analysis of financial records and analyzed issues such as revenue recognition, acquisition accounting, capitalization of assets, complex transactions and goodwill impairment to identify accounting errors. Ø Consultants specializing in GAAP assisted the client with preparation of the restatement of its financial statements and presentations to the SEC. Ø Computer forensics experts assisted legal counsel in gathering data by capturing copies of servers, hard drives and emails and searching these sources for use in the restatement and litigation.
Corporate advisory services	Assist with Chapter 11 bankruptcy proceedings of a healthcare provider	Ø Analyzed the operations of the company to predict revenue going forward to demonstrate the viability of the company. Ø With the involvement of our healthcare practice, assisted in the evaluation of the company's operating expenses during the bankruptcy proceedings and the negotiation of the terms of the debtor-in-possession financing. Ø Served as the interface between creditors' committees and their advisors by addressing information requests and managing meetings and other committee-related issues. Ø Analyzed the feasibility of the company's projections in the plan of reorganization with the assistance of the healthcare practice and provided written testimony on this analysis at the reorganization plan confirmation hearing.
Valuation services	Value assets of acquired company for purchase price allocation by a global media company	Ø Analyzed the fair market value of the assets of the acquired company, including tangible assets, customer relationships, favorable contracts, franchise value and goodwill. Ø Determined the remaining life of the assets as well as tested for impairment of the assets in other operating units to support financial reporting requirements.

Operational Consulting

Practice(s)	Client need	Huron solution
Higher education and strategic sourcing	Assess research administration infrastructure of a leading university due to dramatic growth in research volume and increased scrutiny of federal regulations	ø Evaluated current operations and provided a plan for implementation of improvements to research administration infrastructure, including: – rolesand responsibilities within central university units and departmental units; – organizationalstructure of the research enterprise, including its relationship with other university entities; – businessprocesses; – informationsystems; – personnel; – trainingand educational programs; and – performancemeasures for central research units. ø Evaluated the exposure of the primary research support units to financial and operational risks relating to research universities. ø Assessed impact of plans to replace university-wide financial systems on research administration support services. ø Our strategic sourcing practice is currently identifying areas where the university could reduce its costs of procuring goods and services, such as through library services, scientific supplies or office-related products.
Healthcare	Improve operating margins of healthcare provider	ø Comprehensive assessment of performance levels related to operating costs, supply costs, revenue cycle and organizational structure efficiency. ø Quantified and prioritized areas of potential opportunity for change, growth and/or improvement, including revenue management, use of supplies and efficiency of information systems. ø Developed plans for annualized improvements in: – supplychain; – revenuecycle; and – informationtechnology.

Practice(s)	Client need	Huron solution
Legal business consulting	Develop cost saving initiatives for pharmaceutical company's recently expanded legal department	Ø Analyzed processing of legal matters through various phases and the distribution and management of legal work by internal and outside staff. Ø Developed cost saving initiatives to improve organizational design, outside counsel management and business process. Ø Assisted with the implementation of an interim matter management system for litigation and the selection of a new department-wide matter management system that will be implemented over a period of time.

EMPLOYEES

Our ability to bring the right expertise together to address client issues requires a willingness to work and think outside the bounds of a single practice or specialty. Our success depends on our ability to attract and retain highly talented professionals by creating a work environment where individuals and teams thrive and individuals are rewarded for their contributions and our successes. To accomplish those goals and recognize performance, we have adopted a comprehensive rewards program incorporating compensation, training and development opportunities, performance management and special recognition programs.

As of September 17, 2004, we had 604 employees, consisting of 486 consultants and 118 non-billable professionals. The 486 consultants consisted of 59 managing directors, 70 directors, 108 managers and 249 associates and analysts. Of these consultants, 129 have a master's degree in business administration, 78 are certified public accountants and various others are accredited valuation specialists and forensic accountants. Our managing directors serve clients as advisors and engagement team leaders, originate revenue through new and existing client relationships, and work to strengthen our intellectual capital, develop our people and enhance our reputation. Our directors and managers manage day-to-day client relationships and oversee the delivery and overall quality of our work product. Our associates and analysts gather and organize data, conduct detailed analyses and prepare presentations that synthesize and distill information to support recommendations we deliver to clients.

Our 118 non-billable professionals at September 17, 2004 consisted of 8 managing directors, 19 directors, 15 managers, 43 associates and analysts and 33 assistants. Our non-billable professionals include our senior management team, senior client relationship managers and legal, finance, information technology, marketing and human resource personnel.

We assimilate and support employees in their career progression through training and development programs. We have structured orientation and training programs for new analysts, "milestone" programs to help recently promoted employees quickly become effective in their new roles, and opportunities for self-directed training, including technical and consulting courses. We assign employees internal performance coaches to identify opportunities for development, formal training or certifications.

Our compensation plan includes competitive base salary, incentives and benefits. Under our incentive plan, directors, managers, associates and analysts set goals each year with a performance coach. These

goals are aligned with our business goals as well as individual interests and development needs. The plan balances our value of teamwork with recognition of individual performance, and incentive compensation is tied to both team and individual performance. Incentives for managing directors are based on their individual performance and their contribution to their practice and to our business as a whole. Funding of the managing director incentive pool is based on our achievement of annual financial goals. In addition, managing directors, directors and managers are eligible for long-term equity incentives.

BUSINESS DEVELOPMENT AND MARKETING

Business development

Our business development activities aim to build relationships and a strong brand reputation with key sources of business and referrals, especially top-tier law firms and the offices of the chief financial officer and general counsel of organizations. We believe that excellent service delivery to clients is critical to building relationships and our brand reputation, and we emphasize the importance of client service to all of our employees.

We generate most of our new business opportunities through relationships that our managing directors have with individuals working in corporations, academic institutions, existing or former clients and top-tier law firms. Although some managing directors spend more time on service delivery than new business development, all of our managing directors understand their important role in ongoing relationship and business development, which is reinforced through our compensation and incentive program. We actively seek to identify new business opportunities, and we frequently receive referrals and repeat business from past and current clients and from the law firms with which we have worked.

In addition, to complement the business development efforts of our managing directors, we recently formed a group of senior client relationship managers, who are focused exclusively on developing client relationships and generating new business through their extensive network of contacts. We also have formed relationships with prominent academics, which we believe may generate new business opportunities.

Marketing

We have a centralized marketing department with a marketing professional assigned to each of our practices. The centralized department coordinates these professionals' activities, and also develops and coordinates traditional marketing programs, such as participation in seminars, sponsorship of client events and publication of articles in industry publications to actively promote our name and capabilities. The marketing department also manages public relations activities, develops printed marketing materials and performs research and database management to support sales efforts.

COMPETITION

The consulting services industry is extremely competitive, highly fragmented and subject to rapid change. The industry includes a large number of participants with a variety of skills and industry expertise, including other business operations and financial consulting firms, general management consulting firms, the consulting practices of major accounting firms, technical and economic advisory firms, regional and specialty consulting firms and the internal professional resources of organizations. We compete with a large number of service providers in both of our segments. Our competitors often vary depending on the particular practice area. In addition, we also expect to continue to face competition from new entrants because the barriers to entry into consulting services are relatively low.

We believe the principal competitive factors in our market include firm and consultant reputations, client and law firm relationships and referrals, the ability to attract and retain top consultants, the ability to manage engagements effectively and the ability to be responsive and provide high quality services. There is also competition on price, although to a lesser extent due to the critical nature of many of the issues that the types of services we offer address. Many of our competitors have a greater geographic footprint, including an international presence, and name recognition, as well as have significantly greater personnel, financial, technical and marketing resources than we do. We believe that our independence, experience, reputation, industry focus and broad range of professional services enable us to compete favorably and effectively in the consulting marketplace.

FACILITIES

Our principal executive offices are located in a leased facility in Chicago, Illinois, consisting of approximately 62,000 square feet of office space, under a ten-year lease that expires in May 2014. Total annual rent expense for this facility for 2004, including base rent, operating expenses and taxes, will equal $1.7 million. This lease contains scheduled base rent increases over the term of the lease. We have two five-year renewal options under the lease that will allow us to continue to occupy this office space until May 2024. We also have an ongoing expansion option that allows us to lease additional space at such time as the additional space is available for lease, subject to specified notice and election provisions contained in the lease agreement. This facility accommodates our executive team and corporate departments, as well as consultants in each of our practices. We also occupy leased facilities for our five other core offices located in Boston, Houston, New York City, San Francisco and Washington, D.C., as well as smaller offices located in Charlotte and Los Angeles. We do not own any real property. We believe that our leased facilities are adequate to meet our current needs and that additional facilities are available for lease to meet future needs.

LEGAL PROCEEDINGS

From time to time, we are involved in legal proceedings and litigation arising in the ordinary course of business. As of the date of this prospectus, we are not a party to or threatened with any litigation or other legal proceeding that, in our opinion, could have a material adverse effect on our business, operating results or financial condition.

Management

EXECUTIVE OFFICERS AND DIRECTORS

The following table sets forth the names and positions of our executive officers and board members, as well as our director nominees, and their ages as of September 22, 2004.

Prior to the consummation of this offering, we expect to appoint four new independent directors, consisting of DuBose Ausley, Deborah A. Bricker, James D. Edwards and John McCartney. They have consented to serve as directors. In addition, we anticipate that Paul G. Yovovich will be added to our board after the consummation of this offering.

Name	Age	Position(s)
Gary E. Holdren	54	Chief Executive Officer, President and Director
George E. Massaro	56	Chief Operating Officer and Director
Gary L. Burge	50	Vice President, Chief Financial Officer and Treasurer
Daniel P. Broadhurst	45	Vice President and Assistant Secretary
Natalia Delgado	50	General Counsel and Corporate Secretary
Mary M. Sawall	48	Vice President, Human Resources
DuBose Ausley	67	Director Nominee
Deborah A. Bricker	52	Director Nominee
James D. Edwards	60	Director Nominee
John McCartney	52	Director Nominee

The following is information regarding each of our executive officers, board members, director nominees and Mr. Yovovich.

Gary E. Holdren has served as our Chief Executive Officer and President and as a director since May 2004 and as Chief Executive Officer of Huron Consulting Services LLC, our operating subsidiary, since June 2003 and President of Huron Consulting Services LLC since we commenced operations in May 2002. Previously, he was a partner and the midwest director of global client services of Arthur Andersen LLP, where he also served on the U.S. management committee from 1991 to 1998, and the executive council of Andersen Worldwide from 1994 to 1998. Mr. Holdren has more than 30 years of experience consulting with corporations and legal counsels on complex financial and business matters as well as extensive experience serving as an expert witness. He has extensive consulting experience in international tax, antitrust and corporate civil damages and has testified as an accounting and industry expert in federal tax court and federal district courts. Mr. Holdren is a member of the board of directors of the Lyric Opera of Chicago and Cowboy Dreams, a Chicago-area charitable organization. He also serves on the executive committee and board of directors of The Joffrey Ballet of Chicago, and is a member of the Business Advisory Council of the Richard T. Farmer School of Business, Miami University-Ohio. Mr. Holdren is a certified public accountant.

George E. Massaro has served as our Chief Operating Officer and as a director since May 2004 and as Chief Operating Officer of Huron Consulting Services LLC since June 2003. Mr. Massaro joined Huron Consulting Services LLC in August 2002 as a managing director and subsequently became the leader of our disputes and investigation and valuation services practices. Previously, he served as the managing partner of Arthur Andersen LLP's 1,200 person New England practice from 1998 to 2002 and managing partner of the Boston office from 1995 to 1998. Mr. Massaro has served clients in the financial services and high technology industries. Mr. Massaro serves as a director of Charles River Laboratories, a provider of research products and preclinical services for the biomedical community, and of Eastern

Bank Corporation, an independent mutual bank holding company in New England. He is a certified public accountant.

Gary L. Burge has served as our Vice President, Chief Financial Officer and Treasurer since May 2004 and as Vice President, Chief Financial Officer and Treasurer of Huron Consulting Services LLC since November 2002. Prior to joining us, he served as the chief financial officer for PrimeCo Wireless Communications from 2001 to 2002. From 1999 to 2001, Mr. Burge served as chief financial officer for Morningstar Inc., a globally recognized provider of investment information and services to the individual and institutional marketplace. During his career, he has also held various senior management and leadership roles with 360° Communications Company, a wireless communications company, Sprint Corporation, a global communications company, and Centel Corporation, a telecommunications company, where he held positions in finance, information technology, engineering and mergers and acquisitions. Mr. Burge began his career in professional services with Deloitte & Touche LLP. He is a certified public accountant.

Daniel P. Broadhurst has served as our Vice President and Assistant Secretary since May 2004 and as Vice President and Assistant Secretary of Huron Consulting Services LLC since January 2004 and Managing Director of Huron Consulting Services LLC since May 2002. He is responsible for quality and corporate development as well as providing business and financial consulting services. His expertise covers large and complex litigation matters related to international and domestic tax law, regulatory issues, breach of contract, intellectual property, fraud, tort, environmental, and claims against government agencies. Previously, Mr. Broadhurst was a partner at Arthur Andersen LLP and led the economic and financial consulting group from 1998 through 2002. He is a certified public accountant.

Natalia Delgado has served as our General Counsel and Corporate Secretary since September 2004. From January 1999 to September 2004, she was a principal at the law firm of Goldberg, Kohn, Bell, Black, Rosenbloom & Moritz, Ltd. Prior to that, Ms. Delgado was a partner at the law firm of Jenner & Block. For more than 23 years, Ms. Delgado has represented clients in securities and corporate matters, including public offerings, mergers and acquisitions and corporate restructurings. Her practice has also involved advising clients regarding compliance with securities laws and corporate governance. Ms. Delgado is a member of the board of directors of the National Women’s Law Center and is an active member of the Committee of Visitors of the University of Michigan Law School.

Mary M. Sawall has served as our Vice President, Human Resources since May 2004, as Vice President, Human Resources of Huron Consulting Services LLC since January 2004 and as Managing Director and head of Human Resources of Huron Consulting Services LLC since May 2002 when we commenced operations. Previously, she was executive vice president of human resources at Encore Development, a technology solutions provider, from 2000 to 2001, and at Whittman-Hart Inc., a global business and technology solutions provider, from 1998 to 2000. She has also served as director of human resources for the Illinois practice of Deloitte & Touche LLP and has had financial and administrative management positions at Booz Allen Hamilton, a global strategy and technology consulting firm, and Cambridge Associates, a provider of investment and financial research and consulting services to nonprofit institutions.

DuBose Ausley is a nominee to our board of directors and has consented to serve as a director. He is an employee of Ausley & McMullen, a law firm in Tallahassee, Florida, where he was Chairman for more than 25 years prior to June 2002. Mr. Ausley is also a director of Capital City Bank Group, Inc., a financial services holding company, Tampa Electric Co., Inc. and TECO Energy, Inc., public utilities operating in the State of Florida, Blue Cross and Blue Shield of Florida, Inc. and Sprint Corporation. He was also Chairman of the Capital City Bank Group, Inc. from 1982 to 2003.

Deborah A. Bricker is a nominee to our board of directors and has consented to serve as a director. She has served as the President of Bricker Partners LLC, a private investment and management consulting

company, since 1999. Ms. Bricker previously founded and was president of Bricker & Associates, Inc., an operational improvement consulting firm, from 1978 to 1999 when it was sold to Keane, Inc. She currently serves on the board of directors of Forsythe Technology, Inc., a national provider of technology infrastructure solutions, and on the boards of several not-for-profit institutions, including The Goodman Theatre, where she was the immediate past chairman, The Chicago Public Library Foundation, The University of Chicago Hospitals & Health System and The Chicago Public Education Fund.

James D. Edwards is a nominee to our board of directors and has consented to serve as a director. Mr. Edwards retired in 2002 as managing partner-global markets of Arthur Andersen LLP, a position he had held since 1998. Mr. Edwards began his career with Arthur Andersen LLP in 1964 and served in several positions after that time. Mr. Edwards is also a director of IMS Health Incorporated, a global provider of information solutions to the pharmaceutical and healthcare industries, and Transcend Services, Inc., a provider of medical transcription services to the healthcare industry.

John McCartney is a nominee to our board of directors and has consented to serve as a director. He has served as a director of Westcon Group, Inc., a specialty distributor of networking and communications equipment for technology vendors, since August 1998 and was elected chairman of the board of directors in January 2001. Mr. McCartney served as vice chairman of the board of directors of Datatec Limited, a networking technology and services company, from October 1998 until March 2004. Since December 2003, he has served as chairman of the board of First Circle Medical, Inc., a privately held medical therapy company. Since 1998, Mr. McCartney has served as a director of A.M. Castle Corporation, a steel distributor, and he currently serves as lead director, chairman of the audit committee and a member of the governance committee. From June 1997 to March 1998, he held the position of president of 3Com Corporation's Client Access Unit. He joined the executive management team of US Robotics in March 1984 as vice president and chief financial officer and served in various executive capacities until serving as president and chief operating officer of US Robotics from January 1996 until its merger with 3Com Corporation in June 1997. From 1981 to 1984, Mr. McCartney was vice president of operations of Dur-o-wal, Inc., a company that manufactures and supplies products to the masonry construction industry. From 1976 to 1981, he held the position of manager at Grant Thornton LLP, a public accounting firm. Mr. McCartney is a certified public accountant.

Paul G. Yovovich, 50, is anticipated to be added to our board after consummation of the offering. He served as the Chief Executive Officer of Huron Consulting Group Inc. from our inception through April 2004. Mr. Yovovich has served as president of Lake Capital Management LLC since 1999. Previously, he held a variety of senior executive positions and was president of Advance Ross Corporation, an international financial services company, from 1993 to 1996. Mr. Yovovich serves on the boards of 3Com Corporation, a provider of voice and data networking products, services and solutions, and several private companies.

BOARD OF DIRECTORS

Our certificate of incorporation provides that our board of directors will consist of such number of directors as from time to time fixed by resolution of the board, which currently consists of two persons. We expect to increase the size of our board to include five additional members. Mr. Ausley, Ms. Bricker, Mr. Edwards and Mr. McCartney, nominees to our board, will each be an independent director in accordance with the independence requirements of the NASDAQ National Market and the rules of the SEC. We anticipate adding Mr. Yovovich to our board after consummation of the offering.

Prior to the completion of this offering, our certificate of incorporation will be amended to divide our board into three classes, with one class to be elected each year to serve for a three-year term. Class I directors will have an initial term expiring in 2005, Class II directors will have an initial term expiring in 2006 and Class III directors will have an initial term expiring in 2007.

It is expected that Class I will be comprised of Mr. Yovovich and Mr. Massaro, Class II will be comprised of Ms. Bricker and Mr. Ausley and Class III will be comprised of Messrs. Edwards, Holdren and McCartney.

BOARD COMMITTEES

Prior to the consummation of this offering, we plan to establish an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit committee

The audit committee will be comprised of not fewer than three directors elected by a majority of the board. The audit committee will oversee our accounting and financial reporting processes, as well as the audits of our financial statements, including retaining and discharging our auditors. Our audit committee will comply with the independence requirements of the NASDAQ National Market and the rules of the SEC under the Securities Exchange Act of 1934, as amended. It is expected that the audit committee will be comprised of Messrs. McCartney (Chairperson), Edwards and Ausley.

Compensation committee

The compensation committee will be comprised of not fewer than three directors elected by a majority of the board. The compensation committee will oversee the administration of our benefit plans, review and administer all compensation arrangements for executive officers and establish and review general policies relating to the compensation and benefits of our officers and employees. Our compensation committee will comply with the independence requirements of the NASDAQ National Market. It is expected that the compensation committee will be comprised of Ms. Bricker (Chairperson) and Messrs. McCartney and Ausley.

Nominating and corporate governance committee

The nominating and corporate governance committee will be comprised of not fewer than three directors elected by a majority of the board. The nominating and corporate governance committee's responsibilities will include identifying and recommending to the board appropriate director nominee candidates and providing oversight with respect to corporate governance matters. Our nominating and corporate governance committee will comply with the independence requirements of the NASDAQ National Market. It is expected that the nominating and corporate governance committee will be comprised of Messrs. Edwards (Chairperson) and Ausley and Ms. Bricker.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of our executive officers will serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Although we had no compensation committee during the year ended December 31, 2003, Mr. Holdren, Mr. Massaro, Ms. Sawall, Mr. Yovovich, our former Chief Executive Officer and president of Lake Capital Management LLC, and Edward A. Kovas, our former Vice President and vice president of Lake Capital Management LLC, participated in various stages of deliberation concerning executive officer compensation. See "Certain relationships and related transactions."

COMPENSATION OF DIRECTORS

We do not currently compensate our directors for their service as members of our board of directors. After the consummation of this offering, we will pay each of our independent directors $20,000 per year and $1,000 for each meeting of the board of directors or any committee of the board that he or she attends. We also plan to pay a fee for acting as a committee chair and to grant stock options and/or restricted common stock to independent directors under our Omnibus Stock Plan. On the date of this prospectus, we intend to grant to each independent director options exercisable for 13,333 shares of our

common stock, assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus. These options will have a per share exercise price equal to the public offering price. One-third of these options will vest on the grant date and one-third will vest on each of the next two annual meetings. All of our directors will be reimbursed for out-of-pocket expenses for attending board and committee meetings.

COMPENSATION OF EXECUTIVE OFFICERS

The following table sets forth information on compensation earned by Mr. Holdren, our Chief Executive Officer, and each of our next four most highly compensated executive officers for the year ended December 31, 2003. We refer to these officers in this prospectus as our named executive officers.

Summary compensation table

	Annual compensation		Long-term compensation awards—number of securities underlying options (#) (2)	All other compensation ($) (3)
Name and principal position	Salary ($)	Bonus ($)		
Gary E. Holdren(1) Chief Executive Officer and President	750,000	500,375	43,479	23,878
George E. Massaro Chief Operating Officer	450,000	350,625	86,958	24,380
Daniel P. Broadhurst Vice President and Assistant Secretary	485,116	184,167	6,522	17,880
Suzanne S. Bettman(4) Vice President, Chief Legal Officer and Secretary	310,065	103,750	2,174	13,065
Mary M. Sawall Vice President, Human Resources	225,000	100,000	8,696	15,121

(1) Mr. Holdren has served as our Chief Executive Officer and President since May 2004 and as Chief Executive Officer of Huron Consulting Services LLC since June 2003 and President since we commenced operations in May 2002. During 2003, Paul G. Yovovich served as our named Chief Executive Officer, but received neither compensation nor equity grants from us. Mr. Yovovich resigned from his position as Chief Executive Officer in April 2004.

(2) See disclosure under "Option grants in fiscal year 2003" below.

(3) All other compensation details:

	401(k) match ($)	Life insurance premiums ($)	Long-term disability insurance premiums ($)
Mr. Holdren	12,000	4,278	7,600
Mr. Massaro	12,000	6,139	6,241
Mr. Broadhurst	12,000	1,360	4,520
Ms. Bettman	9,208	1,021	2,836
Ms. Sawall	12,000	1,500	1,621

(4) Ms. Bettman resigned in February 2004.

Option grants in fiscal year 2003

The following table sets forth information concerning the grant of stock options to each of the named executive officers during the last fiscal year. The potential realizable value is calculated based on assumed rates of stock appreciation of 0%, 5% and 10% compounded annually from the date the options were granted until their expiration date. The assumed 0%, 5% and 10% rates of stock appreciation are based on an assumed public offering price of $15.00, the mid-point of the range shown on the cover of this prospectus. These numbers are calculated based on the requirements of the SEC and do not reflect our estimate of future stock price growth.

Name	Number of securities underlying options granted[1]	Percent of total options granted to employees in fiscal year	Exercise or base price per share	Expiration date	Potential realizable value at assumed rates of stock price appreciation for option term (10 years)		
					0%	5%	10%
Gary E. Holdren	43,479	4.65%	$ 0.575	5/23/13	$ 627,185	$ 1,037,340	$ 1,666,600
George E. Massaro	21,740	2.32%	$ 0.575	5/23/13	313,600	518,682	833,319
	65,218	6.97%	$ 0.851	12/22/13	922,769	1,537,998	2,481,880
Daniel P. Broadhurst	6,522	0.70%	$ 0.575	5/23/13	94,080	155,605	249,996
Suzanne S. Bettman(2)	2,174	0.23%	$ 0.575	5/23/13	31,360	51,868	83,332
Mary M. Sawall	8,696	0.93%	$ 0.575	5/23/13	125,440	207,473	333,328

(1) All options vest 25% each grant anniversary over four years, subject to the executive's continued employment.
(2) These options were cancelled in connection with Ms. Bettman's resignation in February 2004.

Option values at December 31, 2003

The following table sets forth information concerning the exercise of stock options during 2003 by each of the named executive officers and the value at the end of our 2003 fiscal year of the unexercised options held by the named executive officers. The value realized upon exercise of stock options during 2003 and the value of unexercised in-the-money options are based on an assumed public offering price of $15.00, the mid-point of the range shown on the cover of this prospectus.

Name	Shares acquired on exercise (#)	Value realized ($)	Number of securities underlying unexercised options at fiscal year end exercisable/ unexercisable (#)	Value of unexercised in-the-money options at fiscal year end exercisable/ unexercisable ($)
Gary E. Holdren	0	0	0/43,479	0/627,185
George E. Massaro	10,870	162,800	0/119,568	0/1,724,769
Daniel P. Broadhurst	8,153	122,107	0/30,978	0/460,357
Suzanne S. Bettman(1)	0	0	10,870/34,783	162,796/519,749
Mary M. Sawall	6,251	93,621	0/27,446	0/406,259

(1) The unexercisable options were cancelled in connection with Ms. Bettman's resignation.

EMPLOYMENT AGREEMENTS

Holdren senior management agreement

Huron Consulting Services LLC has entered into a senior management agreement with Mr. Holdren. The agreement, which was effective as of May 13, 2002, has an initial term of three years and automatically renews for additional one-year periods on an annual basis unless, at least 60 days prior to the expiration of the then-current term, we or Mr. Holdren provide notice that the agreement shall not renew. The agreement provides that Mr. Holdren will report to our board of directors. Under the terms of the agreement, in 2004, Mr. Holdren's minimum annual base salary is $800,000 and his annual performance bonus target is $850,000. His compensation is subject to annual review. Mr. Holdren has received a minimum payment in an amount of $225,000 with respect to his annual bonus for the twelve months ended May 13, 2004 and will receive a minimum payment in an amount of $112,500 with respect to his annual bonus for the twelve months ending May 13, 2005, with such amounts being paid in four quarterly installments during the annual employment period to which they relate. The remaining amount of the annual bonus to be received by Mr. Holdren will be based on the achievement of performance goals set by our compensation committee. Mr. Holdren is also eligible for additional bonuses in the event that our annual earnings exceed targets set by the compensation committee, in amounts that the compensation committee determines to be appropriate.

Mr. Holdren's agreement provides that if his employment is terminated by us without cause, if he resigns for good reason (as such terms are defined in the agreement) or if he is terminated in connection with a non-renewal of the agreement prior to the fifth anniversary of its execution, Mr. Holdren will be entitled to severance pay of $1,500,000, payable over the twelve-month period following termination, along with continuation of medical and dental benefits during such twelve-month period. All other company provided perquisites and benefits will be subject to the treatment provided under the terms of the applicable plans or programs. If Mr. Holdren is terminated by us without cause or if he resigns for good reason within twelve months of a qualified change of control, the $1,500,000 will be paid in a lump sum. Mr. Holdren or his estate is entitled to severance pay of six-months' base salary over the six-month period following his death or disability, along with continuation of medical benefits. In order to receive any of these severance payments, Mr. Holdren must execute a general release in favor of us. Mr. Holdren is also entitled to coverage under our directors and officers insurance policy for six years following his termination, subject to specified exceptions and limitations. Mr. Holdren has agreed to certain restrictive covenants that will survive for a period of one to three years following the termination of his employment pursuant to which he will not solicit our clients or interfere with our relationships with our employees or customers.

Mr. Holdren's agreement provided for the purchase by him of 391,305 shares of our common stock pursuant to a separate restricted shares award agreement under our 2002 Equity Incentive Plan. On December 10, 2002, Mr. Holdren purchased the 391,305 shares of our common stock, at a purchase price of $0.02 per share. The restricted shares award agreement provides us with repurchase rights with respect to these shares that, except in certain circumstances, lapse over a three-year vesting period, subject to acceleration upon the occurrence of certain specified events, including a qualified public offering of shares of our common stock. Pursuant to the acceleration provision, Mr. Holdren's unvested restricted shares will fully vest immediately prior to the consummation of this offering. In addition, Mr. Holdren will have the ability to exercise certain piggyback registration rights with respect to these shares. Pursuant to these piggyback registration rights, if, following the consummation of this offering, we propose any underwritten public offering of our equity securities pursuant to an effective registration statement under the Securities Act (other than a registration statement relating to our employee benefit plans, exchange offers by us or a merger or acquisition of a business or assets by us), Mr. Holdren is entitled to include his shares of common stock in that registration, subject to certain limitations, with all registration expenses paid by us.

Pursuant to a separate restricted shares award agreement under our 2002 Equity Incentive Plan, on December 31, 2002, Mr. Holdren purchased an additional 130,435 shares of our common stock, at a purchase price of $0.02 per share. We have repurchase rights with respect to these shares. Pursuant to the agreement, any unvested restricted common shares will fully vest immediately prior to the consummation of this offering. Mr. Holdren does not have registration rights with respect to these 130,435 restricted common shares.

Mr. Holdren has subsequently been granted options to acquire an additional 86,958 shares of our common stock under our 2003 Equity Incentive Plan.

In September 2004, we adopted an amendment to Mr. Holdren's senior management agreement that provides Mr. Holdren with certain change of control benefits. Pursuant to the amendment, if Mr. Holdren's employment is terminated within the 24 months following a change of control, either by us without cause or by Mr. Holdren with good reason, which includes not being the chief executive officer of the successor entity, all of his unvested equity awards will immediately become vested and exercisable and he will be entitled to severance pay of three times the total of his then current base salary and target annual bonus. In the event of such termination, he will also be entitled to a pro-rata bonus for the year during which his termination occurs, 36 months of benefit continuation, and, if necessary, an excise tax gross-up payment.

Massaro senior management agreement

Huron Consulting Services LLC has also entered into a senior management agreement with Mr. Massaro. Mr. Massaro's agreement, which was effective August 12, 2002, has an initial three-year term and automatically renews for additional one-year periods on an annual basis unless, at least 60 days prior to the expiration of the then-current term, we or Mr. Massaro provide notice that the agreement shall not renew. Under the terms of the agreement, Mr. Massaro receives a minimum annual base salary of $350,000 and has an annual performance bonus target during his initial three year term of $150,000. His compensation is subject to annual review. Mr. Massaro has received a minimum payment of $75,000 with respect to his annual bonus for the twelve months ended August 12, 2004 and will receive a guaranteed minimum bonus payment of $37,500 for the twelve months ending August 12, 2005, payable in quarterly installments during the annual employment period. The remaining amount of the annual bonus to be received by Mr. Massaro will be based on the achievement of performance goals set by the compensation committee. Mr. Massaro is also eligible for additional bonuses in the event that our annual earnings exceed targets set by our compensation committee, in amounts that the compensation committee determines to be appropriate.

Mr. Massaro was also granted options to acquire 21,740 shares of our common stock under our 2002 Equity Incentive Plan at the time his employment commenced. Mr. Massaro has subsequently been granted options to acquire an additional 21,740 shares of our common stock under our 2002 Equity Incentive Plan and options to acquire an additional 108,698 shares of our common stock under our 2003 Equity Incentive Plan. In accordance with the original terms of the grants under our 2002 Equity Incentive Plan, the options granted under that plan will vest in full in connection with the consummation of this offering.

Mr. Massaro's agreement provides that if his employment is terminated by us without cause or if he resigns for good reason (as such terms are defined in the agreement) he will be entitled to severance pay equal to six months' base salary, which amount is subject to offset for remuneration earned by Mr. Massaro during the six-month period following such a termination. In order to receive such severance payments, Mr. Massaro must execute a general release in favor of us. Mr. Massaro or his

estate is entitled to severance pay of three months base salary payable over the three-month period following his death or disability, along with continuation of medical benefits. Mr. Massaro has also agreed to certain restrictive covenants that will survive for one year following the termination of his employment pursuant to which, among other things, he will not solicit our clients or interfere with our relationships with our employees or customers.

In September 2004, we adopted an amendment to Mr. Massaro's senior management agreement that provides Mr. Massaro with certain change in control benefits. Pursuant to the amendment, if Mr. Massaro's employment is terminated within the 24 months following a change of control, either by us without cause or by Mr. Massaro for good reason (as provided in the agreement), all of his unvested equity awards that were granted prior to such change of control will immediately become vested and exercisable and he will be entitled to severance pay of two times the total of his then current base salary and target annual bonus. In the event of such a termination, he will also be entitled to a pro-rata bonus for the year during which his termination occurs and 24 months of benefit continuation. In certain situations, Mr. Massaro may be entitled to an excise tax gross-up payment, or his severance benefits may be reduced to limit his excise tax burden.

Broadhurst senior management agreement

Huron Consulting Services LLC has also entered into a senior management agreement with Mr. Broadhurst. Mr. Broadhurst's agreement, which was effective May 15, 2002, has an initial three-year term and automatically renews for additional one-year periods on an annual basis unless, at least 60 days prior to the expiration of the then-current term, we or Mr. Broadhurst provide notice that the agreement shall not renew. Under the terms of the agreement, Mr. Broadhurst receives an annual base salary of no less than $485,000, an annual target bonus for the initial term of $260,000 and has received a guaranteed minimum bonus payment of $130,000 with respect to such bonus for the twelve months ended May 15, 2004 and has a guaranteed minimum bonus payment of $65,000 for the twelve months ending May 15, 2005, to be paid in quarterly installments during the annual employment period. The remaining amount of the annual bonus to be received by Mr. Broadhurst will be based on the achievement of performance goals set by the compensation committee. Mr. Broadhurst is also eligible for additional bonuses in the event that our annual earnings exceed targets set by the compensation committee, in amounts that the compensation committee determines to be appropriate.

Mr. Broadhurst was also granted options to acquire 32,609 shares of our common stock under our 2002 Equity Incentive Plan at the time his employment commenced. In accordance with the original terms of the grant, these options will vest in full in connection with the consummation of this offering. Mr. Broadhurst has subsequently been granted options to acquire an additional 8,696 shares of our common stock under our 2003 Equity Incentive Plan, which will not vest as a result of the consummation of this offering.

Mr. Broadhurst's agreement provides that if his employment is terminated by us without cause or if he resigns for good reason (as such terms are defined in the agreement) he will be entitled to severance pay equal to six months' base salary, which amount is subject to offset for remuneration earned by Mr. Broadhurst during the six-month period following such a termination. In order to receive such severance payments, Mr. Broadhurst must execute a general release in favor of us. Mr. Broadhurst or his estate is entitled to severance pay of three months' base salary payable over the three-month period following his death or disability, along with continuation of medical benefits. Mr. Broadhurst has also agreed to certain restrictive covenants that will survive for one year following the termination of his employment pursuant to which, among other things, he will not solicit our clients or interfere with our relationships with our employees or customers.

In September 2004, we adopted an amendment to Mr. Broadhurst's senior management agreement that provides Mr. Broadhurst with certain change in control benefits. Pursuant to the amendment, if Mr. Broadhurst's employment is terminated within the 24 months following a change of control, either by us without cause or by Mr. Broadhurst for good reason (as provided in the agreement), all of his unvested equity awards that were granted prior to such change of control will immediately become vested and exercisable and he will be entitled to severance pay equal to the total of one year of his then current base salary and his then current target annual bonus. In the event of such a termination, he will also be entitled to a pro-rata bonus for the year during which his termination occurs and 12 months of benefit continuation. In certain situations, these benefits may be reduced to limit Mr. Broadhurst's excise tax burden.

Bettman senior management agreement

Huron Consulting Services LLC had entered into a senior management agreement with Ms. Bettman prior to her resignation in February 2004. Ms. Bettman did not receive any severance pay in connection with her resignation. Certain restrictive covenants of the agreement survive for one year following her resignation pursuant to which, among other things, she agreed not to solicit our clients or interfere with our relationships with our employees or customers.

Sawall senior management agreement

Huron Consulting Services LLC has entered into a senior management agreement with Ms. Sawall. Ms. Sawall's agreement, which was effective May 1, 2002, has an initial one-year term and automatically renews for additional one-year periods on an annual basis unless, at least 60 days prior to the expiration of the then-current term, we or Ms. Sawall provide notice that the agreement shall not renew. Under the terms of the agreement, Ms. Sawall receives an annual base salary of no less than $225,000 and is eligible to participate in our annual performance bonus plan. Ms. Sawall is also eligible for additional bonuses in the event that our annual earnings exceed targets set by the compensation committee, in amounts that the compensation committee determines to be appropriate.

Ms. Sawall was also granted options to acquire 16,305 shares of our common stock under our 2002 Equity Incentive Plan at the time her employment commenced. Ms. Sawall has subsequently been granted options to acquire an additional 8,696 shares of our common stock under our 2002 Equity Incentive Plan and options to acquire an additional 15,218 shares of our common stock under our 2003 Equity Incentive Plan. In accordance with the original terms of the grants under our 2002 Equity Incentive Plan, the options granted under that plan will vest in full in connection with the consummation of this offering.

Ms. Sawall's agreement provides that if her employment is terminated by us without cause or if she resigns for good reason (as such terms are defined in the agreement) she will be entitled to severance pay equal to six months' base salary, which amount is subject to offset for remuneration earned by Ms. Sawall during the six-month period following such a termination. In order to receive such severance payments, Ms. Sawall must execute a general release in favor of us. Ms. Sawall or her estate is entitled to severance pay of three months' base salary payable over the three-month period following her death or disability, along with continuation of medical benefits. Ms. Sawall has also agreed to certain restrictive covenants that will survive for one year following termination of her employment pursuant to which, among other things, she will not interfere with our relationships with our employees or customers.

In September 2004, we adopted an amendment to Ms. Sawall's senior management agreement that provides Ms. Sawall with certain change in control benefits. Pursuant to the amendment, if Ms. Sawall's employment is terminated within the 24 months following a change of control, either by us without cause or by Ms. Sawall for good reason (as provided in the agreement), all of her unvested equity awards

that were granted prior to such change of control will immediately become vested and exercisable and she will be entitled to severance pay equal to the total of one year of her then current base salary and her then current target annual bonus. In the event of such a termination, she will also be entitled to a pro-rata bonus for the year during which her termination occurs and 12 months of benefit continuation. In certain situations, these benefits may be reduced to limit Ms. Sawall's excise tax burden.

EQUITY INCENTIVE PLANS

Existing equity incentive plans

We have adopted three equity incentive plans (our 2003 Equity Incentive Plan, our 2002 Equity Incentive Plan and our Amended and Restated 2002 Equity Incentive Plan (California)). Our existing equity incentive plans provide for the grant of equity options, equity appreciation rights and equity awards to our officers, employees, third-party consultants and advisors. Following the consummation of this offering, we will issue future stock-based awards only under our 2004 Omnibus Stock Plan described below.

We have reserved 2,802,828 shares of common stock for issuance under our three existing equity incentive plans. Of that number, as of September 17, 2004, 521,740 shares have been issued as restricted stock awards and 379,936 shares have been issued upon the exercise of options. As of September 17, 2004, 1,670,041 shares of common stock are issuable upon the exercise of outstanding options, with a weighted average exercise price of $0.75 per share. Following consummation of this offering, all 521,740 shares subject to restricted stock awards granted in 2002 will be fully vested and options exercisable for 485,320 shares issued pursuant to our existing equity incentive plans will be fully vested.

Our compensation committee will administer our existing equity incentive plans following the consummation of this offering. Our compensation committee may amend, suspend or terminate the plans at any time. Additionally, our compensation committee may amend the terms of any outstanding awards, except that any award amendment that would adversely affect the rights of an award holder must be consented to by the award holder, unless the amendment is made either to avoid an expense charge to our company or to allow us take a deduction under the tax code.

2004 Omnibus Stock Plan

Prior to the consummation of this offering, we intend to adopt a new 2004 Omnibus Stock Plan, or the Omnibus Plan, which will replace our existing plans for grants of equity-based compensation following the consummation of this offering. There are several types of awards that may be granted under the Omnibus Plan: stock options (including both incentive stock options, or ISOs, within the meaning of Section 422 of the Internal Revenue Code and nonqualified options, which are options that do not qualify as ISOs), stock appreciation rights, restricted stock, phantom stock, stock bonus awards, and other equity-based awards valued in whole or in part by reference to, or otherwise based on, our common stock. A total of 2,141,000 shares of common stock are reserved for issuance under the Omnibus Plan, subject to equitable adjustment upon certain corporate transactions or events. Shares subject to an award that remain unissued upon the cancellation or termination of the award will again become available for award under the Omnibus Plan, as shall any shares subject to an award that are retained by us as payment of the exercise price or tax withholding obligations and previously owned shares surrendered to us as payment of the exercise price of an option or to satisfy tax withholding obligations. In addition, to the extent an award is paid or settled in cash, the number of shares previously subject to the award shall again be available for grants pursuant to the Omnibus Plan.

Management

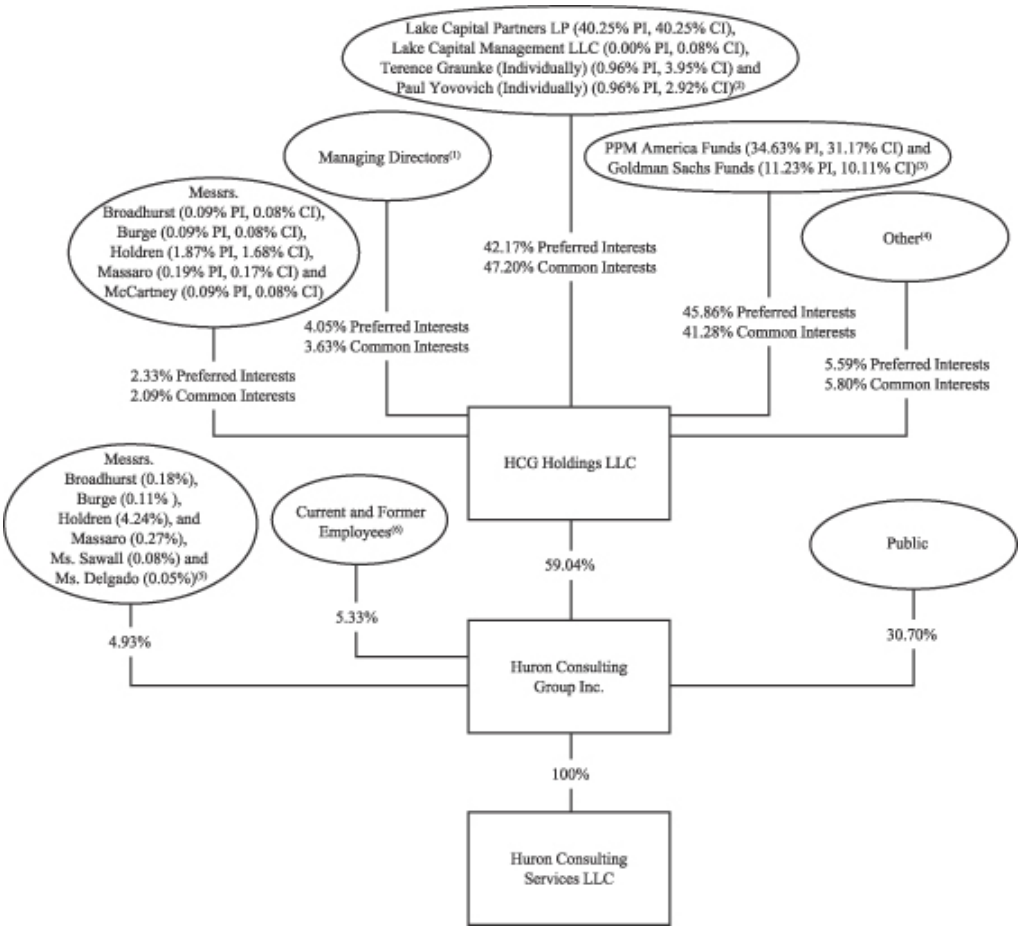
The Omnibus Plan will be administered by our compensation committee. Our officers, employees and non-employee directors and third-party consultants are eligible to receive awards under the Omnibus Plan in the discretion of the compensation committee. The compensation committee will have the responsibility for interpreting the plan and determining all of the terms and conditions of awards made under the plan, including when they will become exercisable or otherwise vest. The compensation committee has the authority to accelerate the exercisability and/or vesting of any outstanding award at such times and under such circumstances as it deems appropriate. The Omnibus Plan may be amended by our board, subject to stockholder approval where necessary to satisfy legal or regulatory requirements. The Omnibus Plan will terminate not later than the tenth anniversary of its adoption. Awards granted before the termination of the Omnibus Plan may extend beyond that date in accordance with their terms.

The Omnibus Plan is intended to permit the grant of performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code, which generally limits the deduction that we may take for compensation of our five most senior executive officers. Under Section 162(m), certain compensation, including compensation based on the attainment of performance goals, will not be subject to this limitation if certain requirements are met. The vesting of awards that are intended to qualify as performance based compensation will be based upon business criteria as established by the compensation committee from time to time.

To date, no awards have been granted under the Omnibus Plan. Other than with respect to the shares of restricted common stock and options that we intend to grant on the date of this prospectus as described below and with respect to our contractual obligations to issue a total of 8,696 options per year to certain third-party consultants, inasmuch as awards under the Omnibus Plan will be granted at the sole discretion of our compensation committee, it is not possible at this time to determine either the persons who will receive awards under the Omnibus Plan or the amount of any such awards. On the date of effectiveness of the registration statement of which this prospectus forms a part, we intend to file a registration statement on Form S-8 covering the shares of our common stock reserved for issuance under the Omnibus Plan and our existing equity incentive plans. On the date of this prospectus, we intend to grant pursuant to the Omnibus Plan 769,700 shares of restricted stock to our executive officers and certain of our employees, options exercisable for 75,800 shares of our common stock, with a per share exercise price equal to the public offering price, to one of our executive officers and certain of our employees and options exercisable for 13,333 shares of our common stock, with a per share exercise price equal to the public offering price and assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, to each of our independent directors. See “Certain relationships and related transactions—Equity compensation awards to be granted on the date of this prospectus.”

Certain relationships and related transactions

The following organizational chart sets forth the corporate structure and ownership of us and of our parent, HCG Holdings LLC, after giving effect to this offering (without giving effect to the exercise of the underwriters' over-allotment option). Our post-offering ownership structure gives effect to the issuance by us of 769,700 shares of restricted common stock to be granted to our executive officers and certain of our employees on the date of this prospectus, but does not give effect to 1,670,041 shares of common stock issuable upon the exercise of outstanding options at September 17, 2004, 75,800 shares of our common stock issuable upon the exercise of options to be granted to one of our executive officers and certain of our employees on the date of this prospectus or 53,332 shares of common stock issuable upon the exercise of options to be granted to our independent directors on the date of this prospectus.



(1) The preferred and common interests in HCG Holdings LLC held by this group reflects the interests held by 24 of our managing directors that are not executive officers. None of these 24 other managing directors individually owns more than 1.0% of either the preferred or common interests in HCG Holdings LLC.

(2) Lake Capital Partners LP and Lake Capital Management LLC collectively have investment and voting control over the shares of our common stock held by HCG Holdings LLC. Lake Capital Investment Partners LP is the sole general partner of Lake

(Footnotes continued on following page.)

Capital Partners LP and Lake Partners LLC is the sole general partner of Lake Capital Investment Partners LP. Terence M. Graunke and Paul G. Yovovich are the members and managers of Lake Partners LLC as well as members of an investment committee of Lake Capital Investment Partners LP and, in such roles, these individuals have investment and voting control over, and may be deemed to be the beneficial owners of, the shares ultimately controlled by Lake Capital Investment Partners LP. Mr. Graunke is also the controlling member of Lake Capital Management LLC and, pursuant to the Lake Capital Management LLC operating agreement, has investment and voting control over, and may be deemed to be the beneficial owner of, the shares controlled by that entity. Each of Mr. Graunke and Mr. Yovovich disclaims beneficial ownership of the shares of common stock owned by HCG Holdings LLC. Each of Mr. Graunke and Mr. Yovovich individually own preferred and common interests in HCG Holdings, as reflected in the chart.

(3) The PPM America Funds consist of PPM America Private Equity Fund, L.P. and a related fund, Old Hickory Fund I, LLC, which own 34.4% and 0.3%, respectively, of the preferred interests and 30.9% and 0.2%, respectively, of the common interests in HCG Holdings LLC. The Goldman Sachs Funds consist of seven related Goldman Sachs private equity funds, consisting of GS Private Equity Partners 2000, L.P., GS Private Equity Partners 2000 Offshore Holdings, L.P., GS Private Equity Partners 2000 – Direct Investment Fund, L.P., GS Private Equity Partners 2002, L.P., GS Private Equity Partners 2002 Offshore Holdings, L.P., GS Private Equity Partners 2002 – Direct Investment Fund, L.P. and GS Private Equity Partners 2002 Employee Fund, L.P., which own 3.3%, 1.1%, 1.3%, 1.1%, 2.9%, 1.0% and 0.5%, respectively, of the preferred interests and 3.0%, 1.0%, 1.2%, 1.0%, 2.6%, 0.9% and 0.4%, respectively, of the common interests in HCG Holdings LLC.

(4) This group consists of 31 other investors holding the interests. None of the holders in this group own more than 1.0% of the total preferred interests or total common interests in HCG Holdings LLC, except for The Hamilton Companies LLC, which owns 1.4% of the preferred interests and 1.4% of the common interests.

(5) Mr. Holdren has been attributed for purposes of this chart ownership of 4.24% of the common stock, which is held in a trust for the benefit of the family of Mr. Holdren. See “Principal and selling stockholders.”

(6) Reflects the shares of common stock held by current and former employees of Huron Consulting Group Inc. None of the holders of the common stock in this group owns more than 1.0% of the total common stock.

INCORPORATION TRANSACTIONS

Initial capitalization

On April 23, 2002, Lake Capital Management LLC, Lake Huron Investors LLC, PPM America Private Equity Fund, L.P., or PPM LP, and Old Hickory Fund I, LLC, or Old Hickory, organized our parent, HCG Holdings LLC, for the purpose of forming Huron Consulting Group Inc. with capital from these investors.

- **Common stock.** Between April and June 2002, HCG Holdings LLC acquired an aggregate of 11,281,243 shares of our common stock at a purchase price of $0.02 per share for an aggregate consideration of approximately $0.3 million.
- **8% preferred stock.** Between April and June 2002, HCG Holdings LLC acquired an aggregate of 12,500 shares of our 8% preferred stock for an aggregate consideration of $12.5 million. The 8% preferred stock has a stated value of $1,000 and accrues dividends on a daily basis, compounded annually, at a rate of 8% of the stated value.
- **8% promissory notes.** Between June and September 2002, we also received proceeds of approximately $10.1 million from the issuance of 8% promissory notes to HCG Holdings LLC. Interest on the promissory notes, which is payable annually, accrues at a rate of 8% per year. The 8% promissory notes mature five years and six months from the date of issuance, subject to mandatory prepayment upon the occurrence of specified events, including the consummation of this offering.

HCG Holdings LLC currently owns approximately 93% of our outstanding common stock and all of our outstanding 8% preferred stock and 8% promissory notes. HCG Holdings LLC is controlled by Lake Capital Partners LP and Lake Capital Management LLC. The remaining equity interests in HCG Holdings LLC are held by PPM LP, Old Hickory and seven related Goldman Sachs private equity funds, some of our executive officers and 24 of our other managing directors, each of our board members, a director nominee and 31 other holders. The executive officers and members or nominee of our board holding interests in HCG Holdings LLC are Messrs. Broadhurst, Burge, Holdren, Massaro and McCartney, who hold 0.1%,

0.1%, 1.7%, 0.2% and 0.1%, respectively, of the common interests and 0.1%, 0.1%, 1.9%, 0.2% and 0.1%, respectively, of the preferred interests in HCG Holdings LLC. Mr. Yovovich, whom we expect to add to our board after the consummation of this offering, is president and a member of Lake Capital Management LLC and controls Lake Capital Partners LP. Mr. Yovovich also directly holds 2.9% of the common interests and 1.0% of the preferred interests in HCG Holdings LLC.

Management agreement and services

On April 23, 2002, HCG Holdings LLC entered into a Management Agreement on our behalf with Lake Capital Management LLC, which led the group of investors that sponsored our formation. Pursuant to the agreement, Lake Capital Management LLC agreed to assist in our formation and provide general management services for us, including consultation, advice and assistance with respect to operations, strategic planning, financing and other aspects of our business. In 2002, Lake Capital Management LLC was paid fees of $1.5 million under this agreement, $0.5 million of which was paid by canceling a promissory note issued by Lake Capital Management LLC to HCG Holdings LLC on the date the management agreement was executed. The cancelled promissory note had a principal amount of $0.5 million, did not accrue interest and had a final maturity date of July 14, 2002. HCG Holdings LLC agreed to lend Lake Capital Management LLC the $0.5 million in order to induce Lake Capital Management LLC to enter into the agreement. In connection with the termination of the agreement in July 2002, HCG Holdings LLC agreed to lend Lake Capital Management LLC an additional $1.0 million pursuant to a promissory note issued by Lake Capital Management LLC to HCG Holdings LLC and to pay $1.0 million to Lake Capital Management LLC upon the consummation of the investment of Lake Capital Partners LP in HCG Holdings LLC. Upon Lake Capital Partners LP's investment, the $1.0 million was paid by the cancellation of the promissory note. The cancelled promissory note had a principal amount of $1.0 million, did not accrue interest and had a final maturity date of January 5, 2003. HCG Holdings LLC agreed to lend Lake Capital Management LLC the $1.0 million in order to induce Lake Capital Management LLC to terminate the management agreement. The only provisions of the agreement surviving termination relate to the limitation of Lake Capital Management LLC's liability to us for any and all losses arising out of the services performed under the agreement, except for liability related to unlawful conduct or a failure to act in good faith and in a manner reasonably believed to be in our best interests, and our obligation to indemnify Lake Capital Management LLC and persons related to it against such losses or liabilities, subject to specified exceptions. Mr. Yovovich has been a member and served as a president of Lake Capital Management LLC since 1999.

From time to time, Huron Consulting Services LLC reimburses Lake Capital Management LLC for its out-of-pocket expenses in connection with its provision of requested management advice. Under this arrangement, we paid approximately $195,600 for the partial year ended December 31, 2002, approximately $97,000 for the year ended December 31, 2003 and $84,000 for the six months ended June 30, 2004. Certain employees of Lake Capital Management LLC have served as officers and directors of Huron Consulting Group Inc. and Huron Consulting Services LLC until May 2004.

Advisory services agreement

On April 23, 2002, HCG Holdings LLC entered into an Advisory Services Agreement on our behalf with PPM LP, which owns approximately 31% of the equity interests in HCG Holdings LLC. Pursuant to the agreement, PPM LP agreed to provide general management and other corporate advisory services to us, including consultation, advice and assistance with respect to financing and other aspects of our business. In 2002, PPM LP was paid $0.3 million under this agreement. The agreement was terminated in July 2002. The only provision of the agreement surviving termination relates to the limitation of PPM LP's liability to us for any and all losses arising out of the services performed under the agreement, except for liability related to unlawful conduct or a failure to act in good faith and in a manner reasonably believed to be in our best interests.

OTHER ISSUANCES OF SECURITIES

Holdren restricted common stock

In December 2002, we issued a total of 521,740 shares of restricted common stock to Mr. Holdren at a purchase price of $0.02 per share for aggregate consideration of $12,000. Mr. Holdren has transferred these shares to a trust for the benefit of his family. 163,043 of Mr. Holdren's shares of restricted common stock are currently vested and the remaining 358,697 shares will fully vest immediately prior to consummation of this offering. As described below, Mr. Holdren has been granted certain piggyback registration rights with respect to 391,305 of his shares of restricted common stock.

Stock options

Since August 2002, when we made our first grant of stock options, through September 17, 2004, we have issued to officers, employees and third-party consultants options to purchase 2,213,641 shares of common stock with per share exercise prices ranging from $0.02 to $1.96, and have issued 379,936 shares of common stock upon exercise of such options for an aggregate consideration of $44,185. As of September 17, 2004, options to purchase 163,664 shares of common stock have been forfeited or cancelled, and options to purchase 1,670,041 shares of common stock, with a weighted average exercise price of $0.75 per share, remain outstanding.

CLASS A COMMON STOCK OWNERSHIP AGREEMENTS

We have entered into a Stock Ownership Agreement with each of the holders of our Class A common stock, including HCG Holdings LLC, and each holder of options to purchase shares of our Class A common stocks. These agreements impose restrictions on transfers of shares of our Class A common stock, provide drag-along rights with respect to certain transfers of our securities and impose a 180-day lock-up agreement following the effectiveness of an underwritten offering of our equity securities. The transfer restrictions and drag-along rights terminate in connection with a qualified public offering, including this offering. Immediately prior to the consummation of this offering, we will terminate the Stock Ownership Agreement between us and HCG Holdings LLC.

EQUITY COMPENSATION AWARDS TO BE GRANTED ON THE DATE OF THIS PROSPECTUS

On the date of this prospectus, after the effectiveness of the registration statement of which this prospectus forms a part and after a registration statement on Form S-8 relating to our 2004 Omnibus Stock Plan is filed and becomes effective, we intend to grant equity-based compensation awards under that plan to our executive officers and certain of our employees and each of our independent directors, as follows:

Restricted stock awards

We intend to grant a total of 769,700 shares of restricted common stock to our executive officers and certain of our employees. These shares will vest over a four year period, with 25% vesting on each anniversary of the grant date during the period. Our executive officers who will be granted shares of restricted common stock are Messrs. Holdren, Massaro, Burge and Broadhurst, Ms. Delgado and Ms. Sawall, who will be granted 158,700, 32,600, 10,900, 10,900, 8,700 and 6,500 shares of restricted common stock, respectively. Based on a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, the aggregate value of the shares of restricted common stock to be granted to Messrs. Holdren, Massaro, Burge and Broadhurst, Ms. Delgado and Ms. Sawall is $2,380,500, $489,000, $163,500, $163,500, $130,500 and $97,500 respectively.

Employee stock option awards

We intend to grant options to purchase 75,800 shares of our common stock to certain of our employees on the date of this prospectus, including one of our executive officers, Ms. Delgado, who will receive

options to purchase 13,100 of these shares. These options will have a per share exercise price equal to the public offering price and will vest over a four year period, with 25% vesting on each anniversary of the grant date during the period.

Independent director stock option awards

We intend to grant to each of four independent directors options exercisable for 13,333 shares of our common stock, assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus. These options will have a per share exercise price equal to the public offering price. One-third of these options will vest on the grant date and one-third will vest on each of the next two annual meetings.

SPECIAL DIVIDEND

On May 12, 2004, we declared a special dividend on each outstanding share of our common stock and 8% preferred stock payable to holders of record on May 25, 2004. We paid the special dividend on June 29, 2004. The 8% preferred stock participated on an as converted basis. The aggregate amount of the dividend was $1.25 million, or $0.09 per share of common stock and $22.18 per share of 8% preferred stock. HCG Holdings LLC used the proceeds it received from the special dividend together with other funds of HCG Holdings LLC to redeem a portion of its outstanding preferred interests on a pro rata basis. In connection with this redemption, Messrs. Broadhurst, Burge, Holdren, Massaro and McCartney received an aggregate amount of approximately $4,540, $4,540, $90,788, $9,079 and $4,540, respectively, of which approximately $1,097, $1,097, $21,933, $2,193 and $1,097, respectively, was paid out of the proceeds of the dividend.

REDEMPTION OF 8% PREFERRED STOCK AND REPAYMENT OF 8% PROMISSORY NOTES WITH OFFERING PROCEEDS

Upon consummation of this offering, we will use approximately $15.1 million of our estimated net proceeds to redeem our outstanding 8% preferred stock and approximately $10.7 million to repay our outstanding 8% promissory notes. See “Use of proceeds.” All of our 8% preferred stock and 8% promissory notes are owned by HCG Holdings LLC. We expect that HCG Holdings LLC will distribute substantially all of the proceeds that it receives in connection with its investment in us to its members in accordance with its organizational documents, including the proceeds it receives from the sale of the shares being offered by it in this offering, the redemption of the outstanding 8% preferred stock and the repayment by us of the 8% promissory notes. Assuming that this offering is consummated at a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, we redeem the 8% preferred stock and repay the 8% promissory notes, and HCG Holdings LLC distributes all of the proceeds received by it in connection with the foregoing transactions, we estimate that Messrs. Broadhurst, Burge, Holdren, Massaro and McCartney will receive a payment of approximately $43,800, $43,800, $875,000, $87,500 and $43,800, respectively.

REGISTRATION RIGHTS

Holdren registration rights

On December 10, 2002, Mr. Holdren purchased 391,305 shares of our common stock, at a purchase price of $0.02 per share, pursuant to a restricted shares award agreement under our 2002 Equity Incentive Plan. The restricted shares award agreement grants Mr. Holdren certain piggyback registration rights with respect to these shares. Pursuant to these piggyback registration rights, if, following the consummation of this offering, we propose any underwritten public offering of our equity securities pursuant to an effective registration statement under the Securities Act (other than a registration statement relating to our employee benefit plans, exchange offers by us or a merger or acquisition of a business or assets by us), Mr. Holdren is entitled, subject to certain limitations, to include his shares of restricted common stock in that registration with all registration expenses paid by us.

Certain relationships and related transactions

HCG Holdings LLC registration rights

Prior to the consummation of this offering, we and HCG Holdings LLC will enter into an agreement pursuant to which we will provide HCG Holdings LLC certain demand, piggyback and shelf registration rights with respect to the 9,614,576 shares (8,864,576 shares if the underwriters' over-allotment option is exercised in full) of our common stock held by it immediately following the consummation of this offering. These shares are referred to as registrable securities. Pursuant to the demand registration rights, HCG Holdings LLC may require us to prepare and file a registration statement under the Securities Act of 1933, as amended, at our expense, covering all or a portion of the registrable securities if the shares to be included in that registration will generate anticipated aggregate net proceeds to HCG Holdings LLC of at least $20.0 million. Under these demand registration rights, we are required to use our best efforts to cause the shares requested to be included in the registration statement, subject to customary conditions and limitations. We are not obligated to effect more than six demand registrations (though certain circumstances may cause a registration not to be counted as one of the six demand registrations). Once we become eligible to file a registration statement on Form S-3, HCG Holdings LLC may also require us to register all or a portion of the registrable securities on a registration statement on Form S-3, subject to specific conditions and limitations. We are not obligated to effect more than two of these shelf registrations on Form S-3 in any twelve-month period. Pursuant to the piggyback registration rights, HCG Holdings LLC also has the right to include the registrable securities in an unlimited number of other registrations of our common stock initiated by us or on behalf of other stockholders, subject to cut back provisions in certain situations. HCG Holdings LLC will have priority over any stockholder granted registration rights after the date of this offering in any subsequent registration statement. The registration rights may be transferred by HCG Holdings LLC to any transferee, subject to some conditions.

Under the registration rights agreement, we are obligated to pay all expenses incident to our performance of or compliance with the agreement, as well as certain expenses of HCG Holdings LLC. In connection with this offering, we have agreed to pay all of the offering expenses, including the expenses of HCG Holdings LLC, other than underwriting discounts and commissions and transfer taxes with respect to the shares being sold by HCG Holdings LLC. Pursuant to the registration rights agreement, in connection with registrations thereunder, we and HCG Holdings LLC have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act, and to contribute to payments which may be required in respect thereof. The underwriting agreement related to this offering contains similar cross-indemnification provisions.

MANAGEMENT RIGHTS LETTER AGREEMENT

In connection with this offering, we will enter into a management rights letter agreement with Lake Capital Partners LP. Under the terms of this agreement, for so long as Lake Capital Partners LP owns membership interests in HCG Holdings LLC and thereafter if it owns shares of our stock, Lake Capital Partners LP will be entitled to (1) receive copies of our periodic reports filed with the SEC under the Exchange Act as soon as they are available and such other information relating to our financial condition, business, prospects and corporate affairs as Lake Capital Partners LP may request, provided that we are not obligated to provide information that we deem to be a trade secret or similar confidential information, (2) consult with and advise us on significant business issues, (3) examine our books and records and inspect our facilities, provided that we need not provide access to confidential information and facilities unless Lake Capital Partners LP executes a non-disclosure agreement in a form acceptable to us and (4) receive all materials distributed to our board members and address our board regarding significant business issues, subject to our ability to exclude Lake Capital Partners LP's access to materials or meetings as necessary to protect confidential information or for other similar reasons. Under the agreement, Lake Capital Partners LP will agree to customary confidentiality restrictions on the use of

information provided to or learned by it in connection with its rights under the agreement. We will not pay any fees to, or receive any fees from, Lake Capital Partners LP in connection with the agreement.

OTHER RELATIONSHIPS AND RELATED TRANSACTIONS

Lake Capital Management LLC

We have an arrangement whereby we share with Lake Capital Management LLC season tickets for a luxury suite at Soldier Field for home games of the Chicago Bears that we use to entertain current and prospective clients. Under this arrangement, we paid $65,000 for the 2003 season and are responsible for $66,495 for the 2004 season.

Family relationships

Mr. Massaro's son-in-law, Marc Mercier, is currently employed by us as an associate. In this capacity, he received total salary and bonus of approximately $61,250 and $22,700 in the year ended December 31, 2003 and the partial year ended December 31, 2002, respectively.

Highline Technology LLC

Huron Consulting Services LLC entered into an agreement, effective as of September 3, 2003, with Highline Technology LLC, an entity in which Mr. Yovovich owns 50%. Pursuant to the agreement, Highline Technology provides management of information technology services, including budgeting, network planning and management, purchasing and contract negotiation assistance, security and risk management and other requested information technology services. We pay quarterly fees of $31,250, plus expenses, during the term of the agreement. The agreement can be terminated by either party for any reason upon 30 days prior written notice to the other party. No payments were made under the agreement in 2003, and a total of approximately $143,300 has been paid in the first six months of 2004. We intend to internalize the services performed for us by Highline Technology by hiring a Chief Information Officer and expect that we will terminate the agreement with Highline Technology in accordance with its terms in such event.

Principal and selling stockholders

The following table sets forth, as of September 22, 2004, certain information regarding the beneficial ownership of our common stock by:

- each person known by us to beneficially own 5% or more of our common stock;
- each member of our board of directors and each director nominee;
- each of our named executive officers;
- all directors and executive officers as a group; and
- the selling stockholder.

Beneficial ownership is determined according to the rules of the SEC, and generally means that a person has beneficial ownership of a security if he or she possesses sole or shared voting or investment power of that security, and includes options that are currently exercisable or exercisable within 60 days. Each director, officer or 5% or more stockholder, as the case may be, has furnished us with information with respect to beneficial ownership. Except as otherwise indicated, we believe that the beneficial owners of common stock listed below, based on the information each of them has given to us, have sole investment and voting power with respect to their shares, except where community property laws may apply.

The following table lists applicable percentage ownership based on 12,952,627 shares of common stock outstanding as of September 22, 2004, which gives effect to the issuance of 769,700 shares of restricted common stock, a 1 for 2.3 reverse stock split of our Class A common stock and Class B common stock, the conversion of all of our outstanding shares of Class B common stock into shares of our Class A common stock, on a one-for-one basis, and the renaming of our Class A common stock to "common stock," each of which will occur prior to the completion of this offering. The following table also lists applicable percentage ownership based on 16,285,960 shares of common stock outstanding after completion of this offering. Options to purchase shares of our common stock that are exercisable within 60 days of September 22, 2004 are deemed to be beneficially owned by the persons holding these options, and outstanding, for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person's ownership percentage. Except as noted below, this table does not take into account the underwriters' over-allotment option.

	Beneficial ownership prior to offering			Beneficial ownership after offering	
Name of beneficial owner(1)	Shares	%	Shares offered	Shares	%
HCG Holdings LLC(2)	11,281,243	87.1%	1,666,667	9,614,576	59.0%
Terence M. Graunke(2)	11,281,243	87.1	1,666,667	9,614,576	59.0
Paul G. Yovovich(2)	11,281,243	87.1	1,666,667	9,614,576	59.0
Gary E. Holdren(3)	691,310	5.3	—	691,310	4.2
George E. Massaro(4)	81,514	*	—	81,514	*
Daniel P. Broadhurst(5)	45,142	*	—	45,142	*
Suzanne S. Bettman(6)	10,870	*	—	10,870	*
Mary M. Sawall(7)	33,675	*	—	33,675	*
DuBose Ausley(8)	4,444	*	—	4,444	*
Deborah A. Bricker(8)	4,444	*	—	4,444	*
James D. Edwards(8)	4,444	*	—	4,444	*
John McCartney(8)(9)	4,444	*	—	4,444	*
All directors and executive officers as a group (6 persons)(10)	897,873	6.9%	—	897,873	5.5%

(See footnotes on the following page.)

* *indicates less than 1% ownership.*

(1) *The principal address of HCG Holdings LLC, Terence M. Graunke and Paul G. Yovovich is c/o Lake Capital Partners LP, 676 North Michigan Avenue, Suite 3900, Chicago, Illinois 60611. The principal address for each of the other stockholders listed below is c/o Huron Consulting Group Inc., 550 West Van Buren Street, Chicago, Illinois 60607.*

(2) *Lake Capital Partners LP and Lake Capital Management LLC are members of HCG Holdings LLC and collectively have investment and voting control over the shares of our common stock held by HCG Holdings LLC. Lake Capital Investment Partners LP is the sole general partner of Lake Capital Partners LP and Lake Partners LLC is the sole general partner of Lake Capital Investment Partners LP. Terence M. Graunke and Paul G. Yovovich are the members and managers of Lake Partners LLC as well as members of an investment committee of Lake Capital Investment Partners LP and, in such roles, these individuals have investment and voting control over, and may be deemed to be the beneficial owners of, the shares ultimately controlled by Lake Capital Investment Partners LP. Mr. Graunke is also the controlling member of Lake Capital Management LLC and, pursuant to the Lake Capital Management LLC operating agreement, has investment and voting control over, and may be deemed to be the beneficial owner of, the shares controlled by that entity. Each of Mr. Graunke and Mr. Yovovich disclaims beneficial ownership of the shares of common stock owned by HCG Holdings LLC.*
If the underwriters' over-allotment option is exercised in full, HCG Holdings LLC will sell an additional 750,000 shares. Immediately following the offering and assuming the exercise of the over-allotment in full, HCG Holdings LLC will own 8,864,576 shares, or 54.4% of the total number of outstanding shares.

(3) *Includes 158,700 shares of restricted common stock to be granted on the date of this prospectus. Also includes 521,740 shares held in trust for Mr. Holdren's wife and children as to which he disclaims beneficial ownership. Does not include any shares in respect of Mr. Holdren's ownership of 1.7% of the outstanding common interests in HCG Holdings LLC.*

(4) *Includes 38,044 shares issuable upon exercise of options that are exercisable currently or within 60 days of September 22, 2004, including 27,174 shares issuable upon exercise of options that will vest in full in connection with the consummation of this offering pursuant to their terms. Also includes 32,600 shares of restricted common stock to be granted on the date of this prospectus. Does not include any shares in respect of Mr. Massaro's ownership of 0.2% of the outstanding common interests in HCG Holdings LLC.*

(5) *Includes 16,305 shares issuable upon exercise of options that are exercisable currently or within 60 days of September 22, 2004, including 16,305 shares issuable upon exercise of options that will vest in full in connection with the consummation of this offering pursuant to their terms. Also includes 10,900 shares of restricted common stock to be granted on the date of this prospectus. Does not include any shares in respect of Mr. Broadhurst's ownership of 0.1% of the outstanding common interests in HCG Holdings LLC.*

(6) *Does not include any shares in respect of Ms. Bettman's ownership of 0.04% of the outstanding common interests in HCG Holdings LLC.*

(7) *Includes 20,925 shares issuable upon exercise of options that are exercisable currently or within 60 days of September 22, 2004, including 14,674 shares issuable upon exercise of options that will vest in full in connection with the consummation of this offering pursuant to their terms. Also includes 6,500 shares of restricted common stock to be granted on the date of this prospectus.*

(8) *On the date of this prospectus, we intend to grant to each independent director options exerciseable for 13,333 shares of our common stock, assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus. One-third of these options will vest on the grant date and one-third will vest on each of the next two annual meetings. The shares listed for Mr. Ausley, Ms. Bricker, Mr. Edwards and Mr. McCartney represent the shares issuable upon exercise of the one-third of these options that will vest on the grant date.*

(9) *Does not include any shares in respect of Mr. McCartney's ownership of 0.1% of the outstanding common interests in HCG Holdings LLC.*

(10) *Includes an aggregate of 95,384 shares issuable upon exercise of options held by members of the group that are exercisable currently or within 60 days of September 22, 2004, including 77,719 shares issuable upon exercise of options that will vest in full in connection with the consummation of this offering pursuant to their terms. Also includes 228,300 shares of restricted common stock to be granted on the date of this prospectus. Does not include any shares in respect of the 2.0% of the outstanding common interests in HCG Holdings LLC collectively held by members of the group.*

HCG Holdings LLC represents that it has purchased the shares being registered for resale in the ordinary course of business, and that at the time of purchase of the shares, it did not have any agreements or understandings, directly or indirectly, with any person to distribute the shares.

Description of capital stock

The following is a description of the material terms of our certificate of incorporation and bylaws, as each is anticipated to be in effect upon the consummation of this offering, and of certain provisions of Delaware law. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by, the provisions of our certificate of incorporation and bylaws, copies of which will be filed as exhibits to the registration statement of which this prospectus forms a part, and by the applicable provisions of Delaware law.

As of September 17, 2004, there were 11,285,756 shares of our Class A common stock issued and outstanding and held of record by six holders and 897,171 shares of our Class B common stock issued and outstanding and held of record by 66 holders, after giving effect to a 1 for 2.3 reverse stock split of our Class A common stock and Class B common stock that will occur prior to the consummation of this offering. The Class A common stock and Class B common stock are identical in all respects, except that the Class B common stock does not have any voting rights. Pursuant to the terms of our certificate of incorporation, immediately prior to the consummation of this offering, each share of our Class B common stock will automatically convert into one share of our Class A common stock and the Class B common stock will cease to exist as a separate class of stock and our Class A common stock will be renamed “common stock.”

Immediately following the closing of this offering, our authorized capital stock will consist of:

- 500,000,000 shares of common stock, par value $.01 per share;
- 12,500 shares of 8% preferred stock, par value $.01 per share; and
- 50,000,000 shares of preferred stock.

Upon the closing of this offering, we expect to have 16,285,960 shares of our common stock issued and outstanding, including 769,700 shares of restricted common stock that we intend to grant to our executive officers and certain of our employees on the date of this prospectus. We intend to use approximately $15.1 million of our net proceeds from this offering to optionally redeem all of our outstanding 8% preferred stock upon consummation of this offering, as described in the section of this prospectus entitled “Use of proceeds,” and upon full redemption, the 8% preferred stock will cease to exist as a separate class of capital stock. We have no shares of our preferred stock issued and outstanding, nor will any shares of our preferred stock be issued and outstanding upon the closing of this offering.

COMMON STOCK

Voting

The holders of our common stock are entitled to one vote for each share held of record on each matter submitted to a vote of stockholders, including the election of directors, and do not have any right to cumulate votes in the election of directors.

Dividends

Subject to the rights and preferences of the holders of any shares of our 8% preferred stock or any series of preferred stock which may at the time be outstanding, holders of our common stock are entitled to such dividends as our board of directors may declare out of funds legally available.

Liquidation rights

In the event of any liquidation, dissolution or winding-up of our affairs, after payment of all of our debts and liabilities and subject to the rights and preferences of the holders of any outstanding shares of our

8% preferred stock or any series of our preferred stock, the holders of our common stock will be entitled to receive the distribution of any of our remaining assets.

Other matters

Holders of our common stock have no conversion, preemptive or other subscription rights and there are no redemption rights or sinking fund provisions with respect to the common stock. All outstanding shares of our common stock are, and the shares of our common stock to be sold in this offering when issued and paid for will be, validly issued, fully paid and non-assessable.

8% PREFERRED STOCK

We intend to use approximately $15.1 million of our net proceeds from this offering to optionally redeem all of our outstanding 8% preferred stock, as described in the section of this prospectus entitled “Use of proceeds.”

Dividends

The 8% preferred stock accrues dividends on a daily basis at the rate of 8% per annum, compounded annually, on its stated value per share, from and including the earlier of the date of the contribution with respect to which such share was issued and the date of issuance of the share until the earlier of our liquidation, dissolution or the winding-up of our affairs or the redemption or conversion of the share in accordance with its terms. The 8% preferred stock has a stated value of $1,000 per share, subject to adjustment. Each share of 8% preferred stock is also entitled to receive any dividends paid on shares of our common stock as if each share of 8% preferred stock were equal to the number of shares of common stock determined by dividing (a) the stated value of the share of 8% preferred stock by (b) the market price of a share of common stock. Under our certificate of incorporation, the market price of a share of common stock is determined based upon the trading pricing of our common stock or, in the event our common stock is not listed for trading, as reasonable determined by our board.

At any time shares of 8% preferred stock are issued and outstanding, we will be prohibited from declaring or paying dividends on or making any distribution in respect of our common stock or any other capital stock ranking junior to the 8% preferred stock as to dividends or other distributions unless prior to or concurrently with such declaration, payment or distribution all accumulated and unpaid dividends on the 8% preferred stock shall have been fully paid or declared with funds irrevocably set apart for payment. HCG Holdings LLC has waived this condition in connection with the special dividend we declared on May 12, 2004 and paid on June 29, 2004. See “Dividend policy.”

Liquidation preference

In the event of any liquidation, dissolution or winding-up of our affairs, each holder of our 8% preferred stock will be entitled to receive, out of our assets available for distribution to stockholders, a liquidation preference in an amount of cash equal to the then current stated value of the shares of 8% preferred stock held plus all accrued and unpaid dividends. After the payment of the liquidation preference in full, our remaining assets available for distribution to stockholders will be distributed first to the holders of any securities that rank senior to our common stock as to liquidation and then ratably, on a share for share basis, to the holders of common stock and the holders of 8% preferred stock and any other holders of securities ranking on a parity with shares of our common stock as to liquidation. The liquidation preference and the pro rata portion of the 8% preferred stock’s liquidation participation amount are collectively referred to as the liquidation amount.

Redemption at our option

We may, at any time, redeem all or any portion of any outstanding shares of 8% preferred stock. If we elect to optionally redeem shares of 8% preferred stock, we will pay a price per share of 8% preferred

stock equal to the liquidation amount, calculated as if we were to be liquidated as of the date of the redemption. Any optional redemptions by us will be made to each holder of outstanding shares of 8% preferred stock pro rata based on the aggregate liquidation amount of the 8% preferred stock held by each holder.

PREFERRED STOCK

We are authorized to issue up to 50,000,000 shares of preferred stock. Our certificate of incorporation authorizes our board, without any further stockholder action or approval, to issue these shares in one or more classes or series, to establish from time to time the number of shares to be included in each class or series and to fix the rights, preferences and privileges of the shares of each wholly unissued class or series and any of its qualifications, limitations or restrictions. Our board may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. We currently have no plans to issue any shares of preferred stock.

ANTI-TAKEOVER EFFECTS OF VARIOUS PROVISIONS OF OUR CERTIFICATE OF INCORPORATION AND OUR BYLAWS

Provisions of our certificate of incorporation and bylaws, which are summarized below, may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in such stockholder's best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

Classified board of directors

Our certificate of incorporation provides for a board of directors divided into three classes, with one class to be elected each year to serve for a three-year term. The provision for a classified board will have the effect of making it more difficult for stockholders to change the composition of our board.

Number of directors; removal for cause; filling vacancies

Our certificate of incorporation and our bylaws provide that our board of directors will consist of not less than five nor more than fifteen members, the exact number of which will be fixed from time to time by our board. Upon the closing of this offering, the size of our board will be fixed at seven directors.

Under the General Corporation Law of the State of Delaware, or the DGCL, unless otherwise provided in our certificate of incorporation, directors serving on a classified board may be removed by the stockholders only for cause. Our certificate of incorporation provides that directors may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds of the voting power of the issued and outstanding shares of our capital stock entitled to vote in an election of directors. Our certificate of incorporation and bylaws also provide that any newly created directorships on our board may be filled by a majority of the board then in office, provided that a quorum is present, and any other vacancy occurring on the board may be filled by a majority of the board then in office, even if less than a quorum, or by a sole remaining director. Any director elected in accordance with the preceding sentence will hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the board of directors shall have the effect of removing or shortening the term of any incumbent director.

The director removal and vacancy provisions will make it more difficult for a stockholder to remove incumbent directors and simultaneously gain control of the board by filling vacancies created by such removal with its own nominees.

Special meetings of stockholders

Our certificate of incorporation and bylaws deny stockholders the right to call a special meeting of stockholders. Our certificate of incorporation and bylaws provide that a special meeting of stockholders may be called only by a majority of our entire board of directors, the chairman of our board or our President.

Stockholder action by written consent

Our certificate of incorporation requires all stockholder actions to be taken by a vote of the stockholders at an annual or special meeting, and denies the ability of stockholders to act by written consent without a meeting.

Stockholder proposals

At an annual meeting of stockholders, only business that is properly brought before the meeting will be conducted or considered. To be properly brought before an annual meeting of stockholders, business must be specified in the notice of the meeting (or any supplement to that notice), brought before the meeting by or at the direction of the board (or any duly authorized committee of the board) or properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must:

- be a stockholder of record on the date of the giving of the notice for the meeting;
- be entitled to vote at the meeting; and
- have given timely written notice of the business in proper written form to our secretary.

To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices not less than 90 days nor more than 120 days prior to the anniversary date of the last annual meeting; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after the anniversary date, notice by the stockholder must be received not later than the close of business on the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the secretary must set forth as to each matter the stockholder proposes to bring before the annual meeting:

- a brief description of the business desired to be brought before the annual meeting and the reasons for conducting the business at the annual meeting;
- the name and address, as they appear on our books, of the stockholder proposing such business;
- the class or series and number of our shares which are owned beneficially or of record by the stockholder proposing the business;
- a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in the business; and
- a representation that the stockholder is a holder of record of our stock entitled to vote at the meeting and that the stockholder intends to appear in person or by proxy at the meeting to bring the business before the meeting.

Similarly, at a special meeting of stockholders, only such business as is properly brought before the meeting will be conducted or considered. To be properly brought before a special meeting, business must

be specified in the notice of the meeting (or any supplement to that notice) given by or at the direction of a majority of the entire board of directors, the chairman of our board or our President.

Nomination of candidates for election to our board

Under our bylaws, only persons that are properly nominated will be eligible for election to be members of our board. To be properly nominated, a director candidate must be nominated at an annual meeting of the stockholders or any special meeting called for the purpose of electing directors by or at the direction of our board (or any duly authorized committee of the board) or properly nominated by a stockholder. To properly nominate a director, a stockholder must:

- be a stockholder of record on the date of the giving of the notice for the meeting;
- be entitled to vote at the meeting; and
- have given timely written notice in proper written form to our secretary.

To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices:

- in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary date of the last annual meeting of our stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after the anniversary date of the last annual meeting, notice by the stockholder in order to be timely must be received not later than the close of business on the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs; and
- in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the 10th day following the day on which notice of the date of such meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the secretary must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected and must set forth:

- as to each person whom the stockholder proposes to nominate for election as a director:
  - the name, age, business address and residence address of the person;
  - the principal occupation or employment of the person;
  - the class or series and number of shares of our capital stock that are owned beneficially or of record by the person; and
  - any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations promulgated thereunder; and
- as to the stockholder giving the notice:
  - the name and record address of such stockholder;
  - the class or series and number of shares of our capital stock that are owned beneficially or of record by such stockholder;

- a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder;
- a representation that such stockholder is a holder of record of our stock entitled to vote at the meeting and that the stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice; and
- any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

Amendment of certificate of incorporation and bylaws

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote is required to amend or repeal a corporation's certificate of incorporation or bylaws, unless the certificate of incorporation requires a greater percentage. Our certificate of incorporation generally requires the approval of the holders of at least two-thirds of the voting power of the issued and outstanding shares of our capital stock entitled to vote in connection with the election of directors to amend any provisions of our certificate of incorporation described in this section. Our certificate of incorporation and bylaws provide that the holders of at least two-thirds of the voting power of the issued and outstanding shares of our capital stock entitled to vote in connection with the election of directors have the power to amend or repeal our bylaws. In addition, our certificate of incorporation grants our board of directors the authority to amend and repeal our bylaws without a stockholder vote in any manner not inconsistent with the laws of the State of Delaware or our certificate of incorporation.

LIMITATIONS ON LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

We have adopted provisions in our certificate of incorporation that limit or eliminate the personal liability of our directors to the maximum extent permitted by the DGCL. The DGCL expressly permits a corporation to provide that its directors will not be liable for monetary damages for a breach of their fiduciary duties as directors, except for liability:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- under Section 174 of the DGCL (relating to unlawful stock repurchases, redemptions or other distributions or payment of dividends); or
- for any transaction from which the director derived an improper personal benefit.

These limitations of liability do not generally affect the availability of equitable remedies such as injunctive relief or rescission. Our certificate of incorporation and bylaws also authorize us to indemnify our officers, directors and other agents to the fullest extent permitted under the DGCL and we may advance expenses to our directors, officers and employees in connection with a legal proceeding, subject to limited exceptions.

As permitted by the DGCL, our certificate of incorporation and bylaws provide that:

- we must indemnify our board members and officers to the fullest extent permitted by the DGCL, subject to limited exceptions; and

- we may purchase and maintain insurance on behalf of our current or former board members, officers, employees or agents against any liability asserted against them and incurred by them in any such capacity, or arising out of their status as such.

We may enter into separate indemnification agreements with each of our board members and officers that may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements may require us, among other things, to indemnify our board members and officers against liabilities that may arise by reason of their status or service as board members and officers, other than liabilities arising from willful misconduct. These indemnification agreements may also require us to advance any expenses incurred by the board members and officers as a result of any proceeding against them as to which they could be indemnified and to obtain directors' and officers' insurance if available on reasonable terms.

The limited liability and indemnification provisions in our certificate of incorporation and bylaws and in any indemnification agreements we enter into may discourage stockholders from bringing a lawsuit against our board members for breach of their fiduciary duties and may reduce the likelihood of derivative litigation against our board members and officers, even though a derivative action, if successful, might otherwise benefit us and our stockholders. A stockholder's investment in us may be adversely affected to the extent we pay the costs of settlement or damage awards against our directors and officers under these indemnification provisions.

At present, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents in which indemnification by us is sought, nor are we aware of any threatened litigation or proceeding that may result in a claim for indemnification.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our common stock is LaSalle Bank National Association.

LISTING

We have applied for the quotation of our common stock on the NASDAQ National Market under the symbol "HURN."

Shares eligible for future sale

Prior to this offering there has been no public market for our common stock, and a significant public market for our common stock may never develop or be sustained after this offering. We cannot predict the effect, if any, that market sales of shares or the availability of shares for sale will have on the market price prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. However, sales of our common stock in the public market after the restrictions lapse, or the perception that these sales may occur, could cause the market price of our common stock to decline.

Upon completion of this offering, we expect to have 16,285,960 outstanding shares of common stock, including the 769,700 shares of restricted common stock to be granted to certain of our executive officers and employees on the date of this prospectus, which vest over a four-year period. As of September 17, 2004, we had outstanding stock options held by executive officers, employees, third-party consultants and board members for the purchase of an aggregate of 1,670,041 shares of common stock.

The 5,000,000 shares of common stock being sold in this offering (or 5,750,000 shares if the underwriters exercise the over-allotment option in full) will be freely tradable without restriction or further registration under the Securities Act, unless the shares are purchased by affiliates of our company, as that term is defined in Rule 144 of the Securities Act. All remaining shares were issued and sold by us in private transactions and are eligible for public sale if registered under the Securities Act, or sold in accordance with Rule 144 or Rule 701 thereunder.

LOCK-UP AGREEMENTS

We, each member of our board, each of our director nominees, each of our executive officers and managing directors and the selling stockholder have signed lock-up agreements under which they will agree not to offer, sell, contract to sell, pledge, hedge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exercisable or exchangeable for shares of common stock, for a period of 180 days after the date of this prospectus. The 180-day lock-up period may be extended under certain circumstances where we announce or pre-announce earnings or material news or a material event occurs within approximately 18 days before, or approximately 16 days after, the termination of the 180-day period. UBS Securities LLC and Deutsche Bank Securities Inc., in their sole discretion, may release some or all of these shares before the 180-day lockup period ends.

Following the expiration of the lock-up period, 11,182,442 shares of common stock subject to these agreements, including shares issuable upon the exercise of vested options 180 days after the date of this prospectus, will be available for sale in the public market, subject in some cases to the vesting of restricted common stock during the lock-up period and to the volume and other restrictions of compliance with Rule 144, Rule 144(k) or Rule 701.

ELIGIBILITY OF RESTRICTED SHARES FOR SALE IN THE PUBLIC MARKET

Rule 144

In general, under Rule 144, a person or persons whose shares are aggregated who has beneficially owned restricted securities for at least one year, including the holding period of any holder who is not an affiliate, and who files a Form 144 with respect to this sale, is entitled to sell within any three-month period commencing 90 days after the date of this prospectus a number of shares of common stock that does not exceed the greater of:

- 1% of the then outstanding shares of our common stock, or approximately 162,860 shares immediately after this offering; or
- the average weekly trading volume during the four calendar weeks preceding the date of which notice of the sale is filed on Form 144.

Shares eligible for future sale

Sales under Rule 144 are also subject to restrictions relating to manner of sale and the availability of current public information about us.

Rule 144(k)

A person who is not deemed to have been our affiliate at any time during the 90 days immediately preceding a sale and who has beneficially owned his or her shares for at least two years, including the holding period of any prior owner who is not an affiliate, is entitled to sell these shares of common stock pursuant to Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information or notice requirements of Rule 144. Affiliates must always sell pursuant to Rule 144, even after the applicable holding periods have been satisfied.

Rule 701

Rule 701 may be relied upon with respect to the resale of securities originally purchased from us by our employees, board members, officers, third-party consultants or advisers prior to the closing of this offering and pursuant to written compensatory benefit plans or written contracts relating to the compensation of these persons. In addition, the SEC has indicated that Rule 701 will apply to stock options granted by us before this offering, along with the shares acquired upon exercise of these options. Securities issued in reliance on Rule 701 are deemed to be restricted shares and, beginning 90 days after the date of this prospectus, may be sold by persons other than affiliates subject only to the manner of sale provisions of Rule 144 and by affiliates under Rule 144 without compliance with the holding period requirements. As of September 17, 2004, 379,936 of our outstanding shares of common stock had been issued in reliance on Rule 701 as a result of exercise of stock options.

EQUITY COMPENSATION

We intend to file a registration statement on Form S-8 under the Securities Act covering the 2,141,000 shares that will be reserved for issuance under our Omnibus Stock Plan as well as the shares reserved for issuance upon the exercise of options outstanding under our three existing equity incentive plans, which as of September 17, 2004 was 1,670,041. This Form S-8 registration statement is expected to be filed soon after the effectiveness of the registration statement of which this prospectus forms a part, and the Form S-8 will automatically become effective upon filing. Accordingly, shares registered under this registration statement will, subject to Rule 144 provisions applicable to affiliates, be available for sale in the open market, unless these shares are subject to vesting restrictions with us or are otherwise subject to the contractual restrictions described above. As soon as practicable following the filing of the Form S-8 registration statement relating to our Omnibus Plan, we intend to grant 769,700 shares of restricted common stock to certain of our executive officers and employees, options exercisable for 75,800 shares of our common stock, with a per share exercise price equal to the public offering price, to one of our executive officers and certain of our employees and options exercisable for 13,333 shares of our common stock, with a per share exercise price equal to the public offering price and assuming a public offering price of $15.00 per share, the mid-point of the range shown on the cover of this prospectus, to each of our four independent directors.

REGISTRATION RIGHTS

Pursuant to a restricted shares award agreement, Mr. Holdren has been granted certain piggyback registration rights with respect to the 391,305 shares of our common stock that he purchased under the agreement. For further information regarding these registration rights, see the section of this prospectus entitled “Management—Holdren senior management agreement.”

Prior to the consummation of this offering, we and our parent, HCG Holdings LLC, will enter into an agreement pursuant to which we will provide HCG Holdings LLC certain demand, piggyback and shelf registration rights with respect to the 9,614,576 shares of our common stock (8,864,576 shares if the underwriters over-allotment option is exercised in full) held by it immediately following the consummation of this offering.

Material U.S. federal tax considerations for non-U.S. holders of our common stock

The following is a general discussion of the material U.S. federal income and estate tax consequences of the ownership and disposition of our common stock by a "Non-U.S. Holder." For purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of our stock who is treated for the relevant U.S. federal tax purposes as a non-resident alien individual, or a foreign partnership, foreign corporation, foreign estate, or foreign trust. Because U.S. federal tax law uses different tests in determining whether an individual is a non-resident alien for income and estate tax purposes, some individuals may be "Non-U.S. Holders" for purposes of the U.S. federal income tax discussion below, but not for purposes of the U.S. federal estate tax discussion, and *vice versa*.

This discussion is based on current provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), judicial decisions, and administrative regulations and interpretations in effect as of the date of this prospectus, all of which are subject to change, possibly with retroactive effect. This discussion assumes that a Non-U.S. Holder holds our common stock as a capital asset as determined for U.S. federal income tax purposes (generally, property held for investment). This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to Non-U.S. Holders in light of their particular circumstances, including, without limitation, Non-U.S. Holders that are controlled foreign corporations, passive foreign investment companies, pass-through entities, or U.S. expatriates; Non-U.S. Holders that hold their common stock through pass-through entities; Non-U.S. Holders that acquire their common stock through the exercise of employee stock options or otherwise as compensation; and Non-U.S. Holders who own, directly, indirectly or constructively, more than 5% of our common stock. This discussion also does not address any tax consequences arising under the laws of any U.S. state or local, or non-U.S., jurisdiction.

You should consult your own tax advisor regarding the U.S. federal income and estate tax consequences of holding and disposing of our common stock in light of your particular situation, as well as any consequences under state, local or non-U.S. law.

DIVIDENDS

Distributions on our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. In general, we will be required to withhold U.S. federal income tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty, on dividends paid to a Non-U.S. Holder. To obtain a reduced rate of withholding under a treaty, you must provide us with appropriate documentation (typically, a properly-executed IRS Form W-8BEN certifying your entitlement to benefits under the treaty). You will not be required to furnish a U.S. taxpayer identification number in order to claim treaty benefits with respect to our dividends if our common stock is traded on an "established financial market" for U.S. federal income tax purposes. Treasury Regulations provide special rules to determine whether, for purposes of determining the applicability of an income tax treaty, dividends paid to a Non-U.S. Holder that is an entity should be treated as paid to the entity or to those holding an interest in that entity.

We generally will not be required to withhold U.S. federal income tax from dividends that are effectively connected with your conduct of a trade or business within the United States, so long as you provide us with appropriate documentation (typically, a properly executed IRS Form W-8ECI, stating that the dividends are so effectively connected). Instead, such dividends will be subject to U.S. federal income tax on a net income basis, generally in the same manner as if you were a resident of the United States. If you

are a foreign corporation, your effectively-connected dividends may also be subject to an additional "branch profits tax," which is imposed under certain circumstances at a rate of 30% (or such lower rate as may be specified by an applicable treaty), subject to certain adjustments and exceptions.

GAIN ON SALE OR DISPOSITION OF COMMON STOCK

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on a sale or other disposition of our common stock. However, you will be taxed on such gain if (1) the gain is effectively connected with a trade or business that you conduct in the United States (in the event that certain tax treaty provisions apply, the gain must also be attributable to a permanent establishment in the United States (or, in the case of an individual, a fixed place of business) in order to be subject to tax), (2) you are a non-resident alien individual, you are present in the United States for 183 or more days in the taxable year of the sale or disposition and certain other conditions are met, or (3) our stock is treated as a United States real property interest in your hands, within the meaning of Section 897(c) of the Code.

Subject to the exception noted below, our stock will generally be treated as a U.S. real property interest if we are or have been a "United States real property holding corporation" within the meaning of Section 897(c) at any time that you held the stock within five years before the sale or disposition. We believe that we are not, and we do not anticipate becoming, a United States real property holding corporation. Moreover, even if we are treated as a United States real property holding corporation, so long as our common stock is "regularly traded on an established securities market" for U.S. federal income tax purposes, our common stock will not be treated as a U.S. real property interest in the hands of a Non-U.S. Holder who has owned no more than 5% of the common stock (assuming for this purpose that any options or shares of convertible preferred stock that you own have been exercised or converted and applying certain constructive ownership rules to determine your ownership) during the five years preceding a sale or disposition. If we are treated as a U.S. real property holding corporation and our common stock is not regularly traded on an established securities market, 10% of the amount realized by a Non-U.S. Holder on a sale or disposition of our common stock must be withheld by the purchaser and remitted to the U.S. Internal Revenue Service. The amount withheld may be applied to the Non-U.S. Holder's U.S. federal income tax liability or, if in excess thereof, refunded provided that the required information is timely furnished to the U.S. Internal Revenue Service.

INFORMATION REPORTING REQUIREMENTS AND BACKUP WITHHOLDING

Generally, we must report to the U.S. Internal Revenue Service the amount of dividends we pay to you, your name and address, and the amount of any tax withheld. A similar report will be sent to you. Pursuant to tax treaties or other information-sharing agreements, the U.S. Internal Revenue Service may make its reports available to tax authorities in your country of residence.

We generally will not be required to apply backup withholding to dividends that we pay to you if you have provided an appropriate certification of your U.S. federal taxpayer identification number, or of the fact that you are not a U.S. person, unless we or our paying agent otherwise have actual knowledge that you are a U.S. person. Generally, you will provide such certification on an IRS Form W-8BEN.

Under current U.S. federal income tax law, information reporting and backup withholding imposed at a rate of 28% (increasing to 31% in 2011) will apply to the proceeds of a disposition of our common stock effected by or through a U.S. office of a broker unless the disposing holder certifies as to its non-U.S. status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding will not apply to a payment of disposition proceeds where the transaction is effected outside

the United States through a non-U.S. office of a non-U.S. broker. U.S. federal information reporting requirements (but not backup withholding) generally will also apply to a payment of disposition proceeds by foreign offices of U.S. brokers or foreign brokers with certain types of relationships to the United States unless the Non-U.S. Holder establishes an exemption.

Backup withholding is not an additional tax. Rather, the amount of tax withheld will be treated as a payment against your actual U.S. federal income tax liability (if any), and if the withholding results in an overpayment of tax, a refund may be obtained, provided that the required information is timely furnished to the U.S. Internal Revenue Service.

Non-U.S. Holders should consult their own tax advisors regarding the application of information reporting and backup withholding to them, including the availability of and procedure for obtaining an exemption from backup withholding.

FEDERAL ESTATE TAX

An individual Non-U.S. Holder who at the time of his death is treated as the owner of an interest in our common stock will be required to include the value thereof in his gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise. Legislation enacted in the spring of 2001 provides for reductions in the U.S. federal estate tax through 2009 and the elimination of the estate tax entirely in 2010. Under this legislation, the U.S. federal estate tax would be fully reinstated, as in effect prior to the reductions, in 2011.

Underwriting

We and the selling stockholder are offering the shares of our common stock described in this prospectus through the underwriters named below. UBS Securities LLC and Deutsche Bank Securities Inc. are acting as joint book-running managers and together with William Blair & Company, L.L.C. are the representatives of the underwriters. We and the selling stockholder have entered into an underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, each of the underwriters has severally agreed to purchase the number of shares of common stock listed next to its name in the following table:

Underwriters	Number of shares
UBS Securities LLC	
Deutsche Bank Securities Inc.	
William Blair & Company, L.L.C.	
Total	5,000,000

The underwriting agreement provides that the underwriters must buy all of the shares if they buy any of them. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

Our common stock and the common stock of the selling stockholder is offered subject to a number of conditions, including:

- Ø receipt and acceptance of our common stock by the underwriters; and
- Ø the underwriters' right to reject orders in whole or in part.

We have been advised by the representatives that the underwriters intend to make a market in our common stock, but that they are not obligated to do so and may discontinue making a market at any time without notice.

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses electronically.

OVER-ALLOTMENT OPTION

The selling stockholder has granted the underwriters an option to buy up to 750,000 additional shares of our common stock. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with this offering. The underwriters have 30 days from the date of this prospectus to exercise this option. If the underwriters exercise this option, they will each purchase additional shares approximately in proportion to the amounts specified in the table above.

COMMISSIONS AND DISCOUNTS

Shares sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a

Underwriting

discount of up to $ per share from the public offering price. Any of these securities dealers may resell any shares purchased from the underwriters to other brokers or dealers at a discount of up to $ per share from the public offering price. If all the shares are not sold at the public offering price, the representatives may change the offering price and the other selling terms. Sales of shares made outside of the United States may be made by affiliates of the underwriters. Upon execution of the underwriting agreement, the underwriters will be obligated to purchase the shares at the prices and upon the terms stated therein, and, as a result, will thereafter bear any risk associated with changing the offering price to the public or other selling terms. The underwriters have informed us that they do not expect discretionary sales to exceed 5% of the shares of common stock to be offered.

The following table shows the per share and total underwriting discounts and commissions we will pay to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional 750,000 shares.

	Paid by us		Paid by selling stockholder		Total	
	No exercise	Full exercise	No exercise	Full exercise	No exercise	Full exercise
Per Share	$	$	$	$	$	$
Total	$	$	$	$	$	$

We estimate that the total expenses of this offering payable by us, not including the underwriting discounts and commissions, will be approximately $3.7 million. This amount includes expenses, other than underwriting discounts and commissions, incurred by the selling stockholder in connection with this offering, which we have agreed to pay.

NO SALES OF SIMILAR SECURITIES

We, each member of our board, each of our director nominees, each of our executive officers and managing directors and the selling stockholder have entered into lock-up agreements with the underwriters. Under these agreements, we and each of these persons may not, without the prior written approval of UBS Securities LLC and Deutsche Bank Securities Inc., subject to certain permitted exceptions specified in the agreements, sell, offer to sell, contract or agree to sell, hypothecate, pledge, hedge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, our common stock or securities convertible into or exchangeable for our common stock. These restrictions will be in effect for a period of 180 days after the date of this prospectus. The 180-day lock-up period may be extended under certain circumstances where we announce or pre-announce earnings or material news or a material event occurs within approximately 18 days before, or approximately 16 days after, the termination of the 180-day period. At any time and without public notice, UBS Securities LLC and Deutsche Bank Securities Inc. may, in their sole discretion, release all or some of the securities from these lock-up agreements.

We and the selling stockholder have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act. If we are unable to provide this indemnification, we have agreed to contribute to payments that the underwriters may be required to make in respect of those liabilities. We and the selling stockholder have also agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act, and to contribute to payments which may be required in respect thereof.

We have applied for the quotation of our common stock on the NASDAQ National Market under the symbol "HURN."

PRICE STABILIZATION, SHORT POSITIONS

In connection with this offering, the underwriters may engage in activities that stabilize, maintain or otherwise affect the price of our common stock including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids; and
- syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of our common stock while this offering is in progress. These transactions may also include making short sales of our common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' over-allotment option referred to above, or may be "naked" shorts, which are short positions in excess of that amount.

The underwriters may close out any covered short position by either exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option.

Naked short sales are in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchased in this offering.

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 that underwriter in stabilizing or short covering transactions.

As a result of these activities, the price of our 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. The underwriters may carry out these transactions on the NASDAQ National Market, in the over-the-counter market or otherwise.

DETERMINATION OF OFFERING PRICE

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiation by us and the representatives of the underwriters. The principal factors to be considered in determining the initial public offering price include:

- the information set forth in this prospectus;
- our history and prospects, and the history and prospects of the industry in which we compete;
- our past and present financial performance and an assessment of our management;

- our prospects for future earnings and the present state of our development;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, public traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

DIRECTED SHARE PROGRAM

At our request, certain of the underwriters have reserved up to 5% of the common stock being offered by this prospectus for sale to our board members, officers, employees, strategic partners and other individuals associated with us and members of their families at the initial offering price. The sales will be made by an affiliate of UBS Securities LLC through a directed share program. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public. These persons must commit to purchase no later than the open of business on the day following the date of this prospectus. In addition, any person allocated more than $100,000 worth of shares under the directed share program must agree, as a condition to purchasing the shares, to enter into a lock-up agreement with the same terms as the agreements described above that we, each member of our board, each of our director nominees, each of our executive officers and managing directors and the selling stockholder have entered into.

AFFILIATIONS

The underwriters and their affiliates may, from time to time, provide certain commercial banking, financial advisory and investment banking services for us for which they will receive customary fees.

Legal matters

The validity of the shares of our common stock offered by this prospectus will be passed upon for us and the selling stockholder by Skadden, Arps, Slate, Meagher & Flom LLP, Chicago, Illinois, and for the underwriters by Katten Muchin Zavis Rosenman, Chicago, Illinois. An investment partnership consisting of current and former partners of, and persons associated with, Skadden, Arps, Slate, Meagher & Flom LLP beneficially owns less than 1% of our common stock through an investment in Lake Capital Partners LP, a member of HCG Holdings LLC, which is the selling stockholder in this offering. From time to time, Katten Muchin Zavis Rosenman acts as our counsel on various matters unrelated to this offering.

Experts

The consolidated financial statements as of December 31, 2002 and 2003 and for the period from March 19, 2002 (inception) to December 31, 2002 and the year ended December 31, 2003 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Where you can find additional information

We have filed with the SEC a Registration Statement on Form S-1 under the Securities Act with respect to the common stock offered in this prospectus. This prospectus, filed as part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our common stock, we refer you to the registration statement and to its exhibits and schedules. Statements in this prospectus about the contents of any contract, agreement or other document are not necessarily complete and, in each instance, we refer you to the copy of such contract, agreement or document filed as an exhibit to the registration statement, with each such statement being qualified in all respects by reference to the document to which it refers. Anyone may inspect the registration statement and its exhibits and schedules without charge at the Public Reference Room the SEC maintains at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain copies of all or any part of these materials from the SEC upon the payment of certain fees prescribed by the SEC. You may obtain further information about the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also inspect these reports and other information without charge at a website maintained by the SEC. The address of this site is http://www.sec.gov.

Upon completion of this offering, we will become subject to the informational requirements of the Exchange Act and will be required to file reports, proxy statements and other information with the SEC. You will be able to inspect and copy these reports, proxy statements and other information at the Public Reference Room of the SEC as described above or inspect them without charge at the SEC's website.

Index to financial statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Huron Consulting Group Inc.:

The reverse stock split and increase in authorized shares of Class A Common Stock and Preferred Stock described in Note 14 to the financial statements have not been consummated at September 24, 2004. When they have been consummated, we will be in a position to furnish the following report:

> "In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders' deficit and cash flows present fairly, in all material respects, the financial position of Huron Consulting Group Inc. and its subsidiary at December 31, 2002 and 2003, and the results of their operations and their cash flows for the period from March 19, 2002 (inception) to December 31, 2002 and the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion."

/s/ PricewaterhouseCoopers LLP

Chicago, Illinois
March 25, 2004

Huron Consulting Group Inc.

CONSOLIDATED BALANCE SHEETS

	December 31,		June 30,	Pro Forma June 30,
	2002	2003	2004	2004 (note 2)
			(unaudited)	
Assets				
Current assets:				
Cash and cash equivalents	$ 4,448,806	$ 4,251,097	$ 943,054	
Receivables from clients	6,440,626	16,151,667	23,787,921	
Unbilled services	6,505,714	8,704,057	13,306,668	
Allowance for doubtful accounts and unbilled services	(381,753)	(1,791,720)	(2,911,401)	
Net receivables from clients and unbilled services	12,564,587	23,064,004	34,183,188	
Income tax receivable	—	2,286,015	—	
Deferred income taxes	283,754	1,945,932	2,407,769	
Other current assets	387,542	836,868	1,890,340	
Total current assets	17,684,689	32,383,916	39,424,351	
Property and equipment, net	1,898,954	4,498,251	6,458,123	
Other assets:				
Deferred income taxes	2,426,570	2,332,543	2,511,788	
Intangibles, net of accumulated amortization of $2,635,172, $6,384,415 and $0, at December 31, 2002 and 2003 and June 30, 2004 (unaudited), respectively	3,689,243	—	—	
Deposits	883,203	674,000	537,561	
Total other assets	6,999,016	3,006,543	3,049,349	
Total assets	$ 26,582,659	$ 39,888,710	$ 48,931,823	
Liabilities and stockholders' deficit				
Current liabilities:				
Accounts payable	$ 221,759	$ 1,396,265	$ 1,939,799	
Accrued expenses	1,334,796	3,821,527	2,309,274	
Accrued payroll and related benefits	4,625,401	13,914,391	14,589,379	
Deferred revenue	1,379,741	2,272,886	2,596,441	
Income taxes payable	—	—	747,966	
Interest payable to HCG Holdings LLC	342,741	819,624	403,031	
Total current liabilities	7,904,438	22,224,693	22,585,890	
Non-current liabilities:				
Accrued expenses	—	—	707,350	
Deferred lease incentives	—	—	962,997	
Total non-current liabilities	—	—	1,670,347	
Commitments and contingencies				
Notes payable to HCG Holdings LLC	10,075,764	10,075,764	10,075,764	
8% preferred stock, $1,000 per share stated value plus accrued 8% annual cumulative dividends; 106,840 shares authorized; 12,500 shares issued and outstanding at December 31, 2002 and 2003 and June 30, 2004 (unaudited)	13,145,735	14,212,000	14,770,398	
Stockholders' deficit:				
Class A common stock*; $0.01 par value; 500,000,000 shares authorized; 11,281,243, 11,281,243 and 11,285,592 shares issued and outstanding at December 31, 2002 and 2003 and June 30, 2004 (unaudited), respectively; 12,176,619 shares issued and outstanding pro forma	259,469	259,469	112,856	$ 121,766
Class B common stock*; $0.01 par value; 6,486,715 shares authorized; 521,740, 682,348 and 891,027 shares issued and outstanding at December 31, 2002 and 2003 and June 30, 2004 (unaudited), respectively; no shares authorized, issued and outstanding pro forma	12,000	15,694	8,910	—
Additional paid-in capital	—	41,519	1,223,927	1,223,927
Stock subscription receivable	(3,000)	—	—	—
Retained deficit	(4,811,747)	(6,940,429)	(1,516,269)	(1,516,269)
Total stockholders' deficit	(4,543,278)	(6,623,747)	(170,576)	$ (170,576)
Total liabilities and stockholders' deficit	$ 26,582,659	$ 39,888,710	$ 48,931,823	

* Adjusted to reflect a 1 for 2.3 reverse stock split that the Company intends to effect immediately prior to the consummation of the Company's proposed initial public offering.

The accompanying notes are an integral part of the consolidated financial statements.

Huron Consulting Group Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Period from March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Six months ended June 30,	
			2003	2004
			(unaudited)	
Revenues and reimbursable expenses:				
Revenues	$ 35,100,712	$ 101,485,674	$ 46,923,345	$ 81,603,683
Reimbursable expenses	2,921,301	8,808,455	3,906,477	7,090,384
Total revenues and reimbursable expenses	38,022,013	110,294,129	50,829,822	88,694,067
Direct costs and reimbursable expenses:				
Direct costs	26,054,642	69,400,274	29,319,485	47,591,392
Reimbursable expenses	2,921,301	8,929,129	3,917,197	7,064,811
Total direct costs and reimbursable expenses	28,975,943	78,329,403	33,236,682	54,656,203
Gross profit	9,046,070	31,964,726	17,593,140	34,037,864
Operating expenses:				
Selling, general and administrative	8,812,781	25,184,911	11,093,507	17,839,665
Depreciation and amortization	3,047,914	5,328,484	2,657,997	1,074,842
Loss on lease abandonment	—	1,668,000	—	—
Restructuring charge	—	—	—	2,138,827
Management and advisory fees paid to related parties	2,750,000	—	—	—
Organization costs	965,489	—	—	—
Total operating expenses	15,576,184	32,181,395	13,751,504	21,053,334
Operating (loss) income	(6,530,114)	(216,669)	3,841,636	12,984,530
Other expense:				
Interest expense	331,784	856,252	418,570	516,015
Other	1,113	111,513	111,513	(724)
Total other expense	332,897	967,765	530,083	515,291
Net (loss) income before (benefit) provision for income taxes	(6,863,011)	(1,184,434)	3,311,553	12,469,239
(Benefit) provision for income taxes	(2,696,999)	(122,017)	1,451,382	5,236,680
Net (loss) income	(4,166,012)	(1,062,417)	1,860,171	7,232,559
Accrued dividends on 8% preferred stock	645,735	1,066,265	515,642	558,399
Net (loss) income attributable to common stockholders	$ (4,811,747)	$ (2,128,682)	$ 1,344,529	$ 6,674,160
Net (loss) income attributable to common stockholders per share:*				
Basic	$ (0.41)	$ (0.18)	$ 0.05	$ 0.50
Diluted	$ (0.41)	$ (0.18)	$ 0.05	$ 0.47
Weighted average shares used in calculating net (loss) income attributable to common stockholders per share:*				
Basic	11,802,982	11,870,958	11,805,752	12,011,324
Diluted	11,802,982	11,870,958	12,356,826	13,005,228
Unaudited pro forma net (loss) income attributable to common stockholders per share:* (Note 2)				
Basic		$ (0.04)		$ 0.50
Diluted		$ (0.04)		$ 0.47

* Adjusted to reflect a 1 for 2.3 reverse stock split that the Company intends to effect immediately prior to the consummation of the Company's proposed initial public offering.

The accompanying notes are an integral part of the consolidated financial statements.

Huron Consulting Group Inc.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Class A common stock		Class B common stock		Stock subscription receivable	Additional paid-in capital	Retained deficit	Stockholders' deficit
	Shares*	Amount	Shares*	Amount				
Balance at March 19, 2002 (inception)	—	$ —	—	$ —	$ —	$ —	$ —	$ —
Issuance of Class A common stock	11,281,243	259,469	—	—	—	—	—	259,469
Issuance of Class B common stock	—	—	521,740	12,000	—	—	—	12,000
Stock subscription receivable	—	—	—	—	(3,000)	—	—	(3,000)
Accrued dividends on 8% preferred stock	—	—	—	—	—	—	(645,735)	(645,735)
Net loss	—	—	—	—	—	—	(4,166,012)	(4,166,012)
Balance at December 31, 2002	11,281,243	259,469	521,740	12,000	(3,000)	—	(4,811,747)	(4,543,278)
Exercise of stock options	—	—	160,608	3,694	—	—	—	3,694
Stock option compensation	—	—	—	—	—	41,519	—	41,519
Stock subscription receivable	—	—	—	—	3,000	—	—	3,000
Accrued dividends on 8% preferred stock	—	—	—	—	—	—	(1,066,265)	(1,066,265)
Net loss	—	—	—	—	—	—	(1,062,417)	(1,062,417)
Balance at December 31, 2003	11,281,243	259,469	682,348	15,694	—	41,519	(6,940,429)	(6,623,747)
Exercise of stock options (unaudited)	4,349	43	208,679	2,087	—	36,945	—	39,075
Stock option compensation (unaudited)	—	—	—	—	—	245,897	—	245,897
Income tax benefit on stock options exercised (unaudited)	—	—	—	—	—	744,039	—	744,039
Accrued dividends on 8% preferred stock (unaudited)	—	—	—	—	—	—	(558,399)	(558,399)
1 for 2.3 reverse stock split	—	(146,656)	—	(8,871)	—	155,527	—	—
Net income (unaudited)	—	—	—	—	—	—	7,232,559	7,232,559
Dividends paid (unaudited)	—	—	—	—	—	—	(1,250,000)	(1,250,000)
Balance at June 30, 2004 (unaudited)	11,285,592	$ 112,856	891,027	$ 8,910	$ —	$ 1,223,927	$ (1,516,269)	$ (170,576)

* Adjusted to reflect a 1 for 2.3 reverse stock split that the Company intends to effect immediately prior to the consummation of the Company's proposed initial public offering.

The accompanying notes are an integral part of the consolidated financial statements.

Huron Consulting Group Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period from March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Six months ended June 30,	
			2003	2004
			(unaudited)	
Cash flows from operating activities:				
Net (loss) income	$ (4,166,012)	$ (1,062,417)	$ 1,860,171	$ 7,232,559
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities				
Depreciation and amortization	3,047,914	5,328,484	2,657,997	1,074,842
Loss on long-term deposits	—	111,085	111,085	—
Deferred income taxes	(2,710,324)	(1,568,151)	(211,306)	(641,082)
Compensation expense related to stock option issuance	—	41,519	—	245,897
Tax benefit from stock options exercised	—	—	—	744,039
Allowance for doubtful accounts and unbilled services	381,753	1,409,967	209,647	1,119,681
Changes in operating assets and liabilities:				
Increase in receivables from clients	(6,440,626)	(9,711,041)	(3,695,428)	(7,636,254)
Increase in unbilled services	(6,505,714)	(2,198,343)	(4,570,616)	(4,602,611)
(Increase) decrease in income tax receivable	—	(2,286,015)	(2,026,561)	2,286,015
Increase in other current assets	(387,542)	(449,326)	(677,545)	(1,053,472)
(Increase) decrease in deposits	(883,203)	98,118	111,118	136,439
Increase in accounts payable and accrued expenses	1,556,555	3,661,237	657,134	701,627
Increase in accrued payroll and related benefits	4,625,401	9,288,990	2,822,808	674,988
Increase (decrease) in interest payable to HCG Holdings LLC	342,741	476,883	64,896	(416,593)
Increase in income taxes payable	—	—	—	747,966
Increase in deferred revenue	1,379,741	893,145	2,791,867	323,555
Net cash (used in) provided by operating activities	(9,759,316)	4,034,135	105,267	937,596
Cash flows from investing activities:				
Purchase of property and equipment	(2,311,696)	(4,178,538)	(2,104,810)	(3,034,714)
Acquisition of intangibles	(6,324,415)	(60,000)	—	—
Net cash used in investing activities	(8,636,111)	(4,238,538)	(2,104,810)	(3,034,714)
Cash flows from financing activities:				
Proceeds from issuance of Class A common stock	259,469	—	—	—
Proceeds from issuance of Class B common stock	9,000	3,000	3,000	—
Proceeds from issuance of 8% preferred stock	12,500,000	—	—	—
Proceeds from exercise of stock options	—	3,694	2,031	39,075
Proceeds from borrowings under line of credit	—	19,175,000	21,500,000	34,200,000
Repayments on line of credit	—	(19,175,000)	(21,500,000)	(34,200,000)
Proceeds from notes issued to HCG Holdings LLC	10,075,764	—	—	—
Dividends paid	—	—	—	(1,250,000)
Net cash provided by (used in) financing activities	22,844,233	6,694	5,031	(1,210,925)
Net increase (decrease) in cash and cash equivalents	4,448,806	(197,709)	(1,994,512)	(3,308,043)
Cash and cash equivalents:				
Beginning of the period	—	4,448,806	4,448,806	4,251,097
End of the period	$ 4,448,806	$ 4,251,097	$ 2,454,294	$ 943,054
Noncash transaction:				
Accrued dividends on 8% preferred stock	$ 645,735	$ 1,066,265	$ 515,642	$ 558,399
Supplemental disclosure of cash flow information:				
Cash paid for interest	$ —	$ 416,979	$ 377,127	$ 920,310
Cash paid for taxes	$ —	$ 3,736,471	$ 3,688,450	$ 2,099,740

The accompanying notes are an integral part of the consolidated financial statements.

Notes to consolidated financial statements

1. Description of business

Huron Consulting Group Inc. (the "Company") was formed on March 19, 2002. The Company's wholly- owned subsidiary, Huron Consulting Services LLC ("Huron LLC"), is an independent provider of financial and operational consulting services, whose clients include Fortune 500 companies, medium-sized and large businesses, leading academic institutions, healthcare organizations and the law firms that represent these various organizations. The Company is a majority owned subsidiary of HCG Holdings LLC.

2. Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements reflect the results of operations and cash flows for the period from March 19, 2002 (inception) to December 31, 2002, the year ended December 31, 2003, and the six months ended June 30, 2003 and 2004.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Huron LLC. All significant intercompany transactions have been eliminated in consolidation.

Interim financial information

The interim consolidated financial statements as of June 30, 2004 and for the six months ended June 30, 2003 and 2004 and the financial data and the other information for these periods disclosed in the notes to the consolidated financial statements are unaudited. In the opinion of management, the interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and reflect all adjustments (consisting only of normal recurring adjustments) necessary for the fair presentation of the interim results. The results of operations for the interim periods are not necessarily indicative of the results to be expected for any future periods.

Unaudited pro forma consolidated balance sheet

The unaudited pro forma consolidated balance sheet as of June 30, 2004 reflects the conversion of all of the outstanding shares of Class B common stock into shares of Class A common stock and the renaming of the Class A common stock to "common stock," pursuant to the terms of the Company's certificate of incorporation, which will occur immediately prior to the consummation of the Company's proposed initial public offering.

Unaudited pro forma net (loss) income attributable to common stockholders per share

The unaudited pro forma net (loss) income attributable to common stockholders per share and the pro forma weighted average shares outstanding reflect certain events that will occur upon the consummation of the Company's proposed initial public offering of common stock, but do not reflect shares or proceeds from the offering. The pro forma adjustments to net (loss) income attributable to common stockholders include an adjustment of approximately $483,000 and $245,000 for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively, to eliminate the interest expense, net of tax expense, related to the repayment of the Company's outstanding notes payable to HCG Holdings LLC and an adjustment of approximately $1,066,000 and $558,000 for the year ended December 31, 2003 and the six months ended June 30, 2004, respectively, to eliminate the accrued dividends on 8% preferred stock associated with the redemption of the Company's outstanding 8% preferred stock. The notes payable to HCG Holdings LLC will be repaid and the 8% preferred stock will be redeemed by the

Notes to consolidated financial statements

Company with a portion of the net proceeds from the initial public offering. The pro forma weighted average shares outstanding represents an increase of 2,915,996 and 2,969,718 weighted average shares as of December 31, 2003 and June 30, 2004, respectively, related to shares that would have been issued to repay the notes payable to HCG Holdings LLC and to redeem the 8% preferred stock (including the liquidation participation amount), as if these transactions occurred at the beginning of each period. The pro forma weighted average shares outstanding also include the issuance of 769,700 shares of restricted common stock as of December 31, 2003 and June 30, 2004 as if this transaction also occurred at the beginning of each period.

	Year ended December 31, 2003	Six months ended June 30, 2004
		(unaudited)
Net (loss) income attributable to common stockholders	$ (2,128,682)	$ 6,674,160
Unaudited pro forma adjustment	1,549,210	803,029
Unaudited pro forma net (loss) income attributable to common stockholders	$ (579,472)	$ 7,477,189
Unaudited pro forma net (loss) income attributable to common stockholders per share:		
Basic	$ (0.04)	$ 0.50
Diluted	$ (0.04)	$ 0.47
Unaudited pro forma weighted average shares outstanding used in calculating unaudited pro forma net loss (income) attributable to common shareholders per share:		
Basic	14,786,954	14,981,043
Diluted	14,786,954	15,974,947

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts that are reported in the consolidated financial statements and accompanying disclosures. Actual results may differ from these estimates.

Revenue recognition

The Company recognizes revenues in accordance with Staff Accounting Bulletin (“SAB”) No. 101, “Revenue Recognition in Financial Statements,” as amended by SAB No. 104, “Revenue Recognition” when persuasive evidence of an arrangement exists, the related services are provided, the price is fixed and determinable and collectibility is reasonably assured. These services are primarily rendered under arrangements that require the client to pay on a time-and-expense basis. Fees are based on the hours incurred at agreed-upon rates and recognized as services are provided. Revenues related to fixed-fee engagements are recognized based on estimates of work completed versus the total services to be provided under the engagement. Losses, if any, on fixed-fee engagements are recognized in the period in which the loss first becomes probable and reasonably estimable. The Company also earns revenues on a performance-based fee basis and recognizes such revenues when all performance criteria are met. The Company also has contracts with clients to deliver multiple services that are covered under both individual and separate engagement letters. These arrangements allow for the Company’s services to be valued and accounted for on a separate basis. Direct costs incurred on engagements, including performance-based fee engagements, are expensed in the period incurred.

Provisions are recorded for the estimated realization adjustments on all engagements, including engagements for which fees are subject to review by the bankruptcy courts. Expense reimbursements that are billable to clients are included in total revenues and reimbursable expenses, and typically an equivalent amount of reimbursable expenses are included in total direct costs and reimbursable expenses. Reimbursable expenses related to time-and-expense and fixed-fee engagements are recognized as revenue in the period in which the expense is incurred. Reimbursable expenses subject to performance-based criteria are recognized as revenue when all performance criteria are met.

Differences between the timing of billings and the recognition of revenue are recognized as either unbilled services or deferred revenue in the accompanying consolidated balance sheets. Revenues recognized for services performed but not yet billed to clients have been recorded as unbilled services. Client prepayments and retainers are classified as deferred (i.e., unearned) revenue and recognized over future periods as earned in accordance with the applicable engagement agreement.

Allowance for doubtful accounts and unbilled services

The Company maintains an allowance for doubtful accounts and for services performed but not yet billed for estimated losses based on several factors, including the historical percentages of fee adjustments and write-offs by practice group, an assessment of a client's ability to make required payments and the estimated cash realization from amounts due from clients. The allowance is assessed by management on a quarterly basis.

The provision for doubtful accounts and unbilled services is recorded as a reduction in revenue to the extent the provision relates to fee adjustments and other discretionary pricing adjustments. To the extent the provision relates to a client's inability to make required payments, the provision is recorded in operating expenses.

Direct costs and reimbursable expenses

Direct costs and reimbursable expenses consists primarily of billable employee compensation and their related benefit costs, the cost of outside consultants or subcontractors assigned to revenue generating activities and direct expenses to be reimbursed by clients.

Cash and cash equivalents

Cash and cash equivalents consist of cash deposited in demand deposits at banks and overnight investments.

Notes to consolidated financial statements

Earnings per share

The net (loss) income per share calculations for the period from March 19, 2002 (inception) to December 31, 2002, the year ended December 31, 2003 and the six months ended June 30, 2003 and 2004 is presented below:

	Period from March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Six months ended June 30,	
			2003	2004
			(unaudited)	
Basic net (loss) income attributable to common stockholders per share:				
Net (loss) income	$ (4,166,012)	$ (1,062,417)	$ 1,860,171	$ 7,232,559
Dividends accrued on 8% preferred stock	(645,735)	(1,066,265)	(515,642)	(558,399)
Amount allocated to preferred stockholders	—	—	(745,414)	(622,336)
Net (loss) income attributable to common stockholders—basic	$ (4,811,747)	$ (2,128,682)	$ 599,115	$ 6,051,824
Weighted average common stock outstanding	11,802,982	11,870,958	11,805,752	12,011,324
Basic net (loss) income attributable to common stockholders per share	$ (0.41)	$ (0.18)	$ 0.05	$ 0.50
Diluted net (loss) income attributable to common stockholders per share:				
Net (loss) income	$ (4,166,012)	$ (1,062,417)	$ 1,860,171	$ 7,232,559
Dividends accrued on 8% preferred stock	(645,735)	(1,066,265)	(515,642)	(558,399)
Amount allocated to preferred stockholders	—	—	(745,414)	(622,336)
Net (loss) income attributable to common stockholders—diluted	$ (4,811,747)	$ (2,128,682)	$ 599,115	$ 6,051,824
Weighted average common stock outstanding	11,802,982	11,870,958	11,805,752	12,011,324
Weighted average common stock equivalents—options	—	—	551,074	993,904
Adjusted weighted average common stock—diluted	11,802,982	11,870,958	12,356,826	13,005,228
Diluted net (loss) income attributable to common stockholders per share	$ (0.41)	$ (0.18)	$ 0.05	$ 0.47

Income, after the deduction for the accrued preferred dividends, has been allocated to the common and preferred stock based on their respective rights to share in dividends. The 8% preferred stock participates in any dividends paid to common stock on an as converted basis using the current period estimated fair market value of a share of common stock. Weighted average common stock equivalents of approximately 718,030 for the year ended December 31, 2003 were excluded from the computation of diluted loss per share, as they would have been anti-dilutive. There are no dilutive securities for the period from March 19, 2002 (inception) to December 31, 2002 as the estimated fair market value of the common stock was equal to the strike price of options granted.

Concentrations of credit risk

To the extent receivables from customers become delinquent, collection activities commence. No single customer balance is considered large enough to pose a significant credit risk. The allowance for doubtful accounts and unbilled services is based upon the expected ability to collect accounts receivable and bill and collect unbilled services. Management does not anticipate incurring losses on accounts receivable in excess of established allowances.

Fair value of financial instruments

Cash and cash equivalents are stated at cost, which approximates fair market value. The carrying values for receivables from clients, unbilled services, accounts payable, deferred revenue and other accrued liabilities reasonably approximate fair market value due to the nature of the financial instrument and the short term maturity of these items.

Property and equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful life.

Property and equipment, net at December 31, 2002 and December 31, 2003, is composed of the following:

	December 31,		
	2002	2003	Useful life
Computers, related equipment and software	$ 1,751,753	$ 3,943,357	2-3 years
Furniture and fixtures	210,937	1,021,312	5 years
Leasehold improvements	349,006	1,525,339	Shorter of lease term or useful life
	2,311,696	6,490,008	
Total accumulated depreciation and amortization	(412,742)	(1,991,757)	
	$ 1,898,954	$ 4,498,251	

Long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 144, “Accounting for the Impairment of Long-Lived Assets,” which became effective for fiscal years beginning after December 15, 2001. No impairment charges were recorded in 2002 and 2003.

Intangible assets

The Company accounts for intangible assets under SFAS No. 142, “Goodwill and Other Intangible Assets.” This standard requires that certain identifiable intangible assets be amortized over their expected useful lives.

Non-current liabilities

The Company records certain liabilities that are expected to be settled over a period that exceeds one year as non-current liabilities. The Company has recorded in accrued expenses the loss on abandonment of one of its leases as a non-current liability for the payments that are expected to exceed a one-year term. The Company has also recorded as non-current the portion of the deferred lease incentive liability that the Company expects to recognize over a period greater than one year. The payments that will be

paid within twelve months of the balance sheet date related to the lease abandonment and the deferred lease incentive are classified as current liabilities. The Company monitors the classification of such liabilities based on the expectation of their utilization periods.

Advertising costs

Advertising costs are expensed as incurred. Advertising expenses for the period from March 19, 2002 (inception) to December 31, 2002 and the year ended December 31, 2003, totaled $143,813 and $300,849, respectively.

Income taxes

Current tax liabilities and assets are recognized for the estimated taxes payable or refundable on the tax returns for the current year. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Comprehensive income

Comprehensive income consists solely of net income (loss). There are no other changes in stockholders' deficit except those resulting from investments by owners.

Stock-based compensation

The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations and elects the disclosure option of SFAS No. 123, "Accounting for Stock-Based Compensation" as amended by SFAS No. 148, "Accounting for Stock-Based Compensation—Transition and Disclosure." SFAS No. 123 requires that companies either recognize compensation expense for grants of stock, stock options and other equity instruments based on fair value, or provide pro forma disclosure of net income and earnings per share in the notes to the financial statements. Accordingly, the Company has measured compensation expense for stock options as the excess, if any, of the estimated fair market value of stock, based upon the results of an independent appraisal, at the date of grant over the exercise price.

Notes to consolidated financial statements

The following table details the effect on net (loss) income attributable to common stockholders and net (loss) income attributable to common stockholders per share if compensation expense for the stock plans had been recorded based on the fair value method under SFAS 123.

	Period from March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Six months ended June 30,	
			2003	2004
			(unaudited)	
Net (loss) income attributable to common stockholders	$ (4,811,747)	$ (2,128,682)	$ 1,344,529	$ 6,674,160
Add: Total stock-based employee compensation expense included in reported net (loss) income, net of related tax effects	—	24,911	—	143,011
Deduct: Total stock-based employee compensation expense determined under fair value method for all awards, net of related tax effects	(224)	(27,775)	(6,603)	(149,710)
Pro forma net (loss) income attributable to common stockholders	$ (4,811,971)	$ (2,131,546)	$ 1,337,926	$ 6,667,461
Earnings per share:				
Basic—as reported	$ (0.41)	$ (0.18)	$ 0.05	$ 0.50
Basic—pro forma	$ (0.41)	$ (0.18)	$ 0.05	$ 0.50
Diluted—as reported	$ (0.41)	$ (0.18)	$ 0.05	$ 0.47
Diluted—pro forma	$ (0.41)	$ (0.18)	$ 0.05	$ 0.47

Segment reporting

SFAS No. 131, “Disclosures about Segments of an Enterprise and Related Information,” establishes annual and interim reporting standards for an enterprises business segments and related disclosures about its products, services, geographic areas and major customers. The Company provides services through two segments: Financial Consulting and Operational Consulting. The Financial Consulting segment provides services that help clients effectively address complex challenges that arise from litigation, disputes, investigations, regulation, financial distress and other sources of significant conflict or change. The Operational Consulting segment provides services that help clients improve the overall efficiency and effectiveness of their operations by enhancing revenue, reducing costs managing regulatory compliance and maximizing procurement efficiency.

New accounting pronouncements

In May 2003, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 150, “Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.” This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires the issuer to classify a financial instrument that is within the scope of the standard as a liability if the financial instrument embodies an obligation of the issuer. The adoption of the provisions of SFAS No. 150 did not have any impact on the Company’s financial position or results of operations.

In November 2002, the FASB reached a consensus on Emerging Issues Task Force (“EITF”) Issue No. 00-21. EITF Issue No. 00-21 provides guidance on how to account for revenue arrangements that include multiple products or services to ensure that all standalone deliverables are tracked, valued and

accounted for on an individual basis and in the proper periods. The guidance in EITF Issue No. 00-21 is effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003. The Company has contracts with clients to deliver multiple services that are covered under both individual and separate engagement letters. Such arrangements allow for the Company's services to be valued and accounted for on a separate basis. Therefore, the adoption of EITF Issue No. 00-21 did not have any impact on the Company's consolidated financial position or results of operations.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities and Interpretation of ARB No. 51," which is effective immediately for all variable interest entities created after January 31, 2003 and for the first fiscal year or interim period beginning after June 15, 2003 for variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company does not have variable interest entities that fall within the scope of this pronouncement and therefore the adoption of this pronouncement did not have any impact on its financial statements.

In March 2004, the FASB issued an Exposure Draft on "Share-Based Payment, an amendment of FASB Statements No. 123 and 95." In this proposed Statement, the FASB believes that employee services received in exchange for equity instruments give rise to recognizable compensation cost as the services are used in the issuing entity's operations. In addition, the proposed statement would require that public companies measure the compensation cost related to employee services received in exchange for equity instruments issued based on the grant-date fair value of those instruments. This proposed statement would neither change the accounting in FASB Statement No. 123, "Accounting for Stock-Based Compensation," for transactions in which an enterprise exchanges its equity instruments for services of parties other than employees nor change the accounting for stock ownership plans, which are subject to American Institute of Certified Public Accountants Statement of Position 93-6, "Employer's Accounting for Employee Stock Ownership Plans." The FASB intends to reconsider the accounting for those transactions and plans in a later phase of its project on equity-based compensation. The FASB will also consider other items such as streamlining volatility assumptions and addressing the fair value measurement models. The Company's management will continue to assess the potential impact this statement will have on the Company.

3. Intangible assets

During 2002, the Company obtained a release of certain employees from non-competition agreements with Arthur Andersen LLP, their former employer, in exchange for a payment of $5,502,500 and the assumption of certain related liabilities in the amount of $821,915. The Company estimates that the value received as a result of the employees' release from these agreements has a useful life of eighteen months, the length of the restrictive covenants in the agreements with Arthur Andersen LLP.

Aggregate amortization expense for the period from March 19, 2002 (inception) to December 31, 2002 and the year ended December 31, 2003 was $2,635,172 and $3,749,243, respectively. The remaining net book value of the intangible asset was fully amortized during the year ended December 31, 2003.

4. Employee benefit plan

The Company sponsors a qualified defined contribution 401(k) plan covering substantially all of its employees. Under the plan, employees are entitled to make pre-tax contributions. The Company matches an amount equal to the employees' contributions up to 6% of the employees' salaries. The Company's matching contributions for the period from March 19, 2002 (inception) to December 31, 2002 and the year ended December 31, 2003 were $887,466 and $2,330,542, respectively.

5. Related party transactions

On April 23, 2002, HCG Holdings LLC, on behalf of the Company, entered into an agreement with Lake Capital Management LLC, a related party, under which Lake Capital Management LLC agreed to provide certain management services to the Company in exchange for a $1,500,000 payment. The Company paid an additional $1,000,000 fee upon termination of the agreement in July 2002. Lake Capital Management LLC is an interest holder of HCG Holdings LLC.

In connection with an Advisory Services Agreement, dated April 23, 2002, between HCG Holdings LLC, on behalf of the Company, and PPM America Private Equity Fund, L.P., or PPM LP, a member of HCG Holdings LLC, the Company paid PPM LP $250,000 for certain advisory services. The advisory services agreement was terminated in July 2002.

6. Income taxes

The income tax benefit for the period from March 19, 2002 (inception) to December 31, 2002 and the year ended December 31, 2003 consists of the following:

	Period from March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003
Current:		
Federal	$ —	$ 1,139,525
State	13,325	306,609
	13,325	1,446,134
Deferred:		
Federal	(2,170,956)	(1,256,082)
State	(539,368)	(312,069)
	(2,710,324)	(1,568,151)
Total benefit	$ (2,696,999)	$ (122,017)

Reconciliation of the U.S. statutory income tax rate to the effective tax rate is as follows. The 2003 tax rate effects are due to the relative low amount of pretax loss in 2003.

	Period from March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003
Percent of pretax income:		
At U.S. statutory tax rate—expense (benefit)	(35.0)%	(35.0)%
State income taxes	(5.1)%	(5.2)%
Meals and entertainment	0.8%	17.9%
Other non deductible items	—	12.0%
Effective tax benefit rates	(39.3)%	(10.3)%

Other non deductible items include taxes not deductible for Federal income tax purposes.

Deferred tax assets at December 31, 2002 and 2003 consist of the following:

	December 31, 2002	December 31, 2003
Net operating loss carryforward	$ 1,369,293	$ 407,903
Amortization of intangibles	947,013	2,282,498
Allowance for doubtful accounts and unbilled services	153,465	720,271
Accrued liabilities	130,289	1,143,965
Property, plant and equipment	—	(300,869)
Prepaid expenses	—	(132,194)
Other	110,264	156,901
Deferred income tax assets	$ 2,710,324	$ 4,278,475

At December 31, 2003, the Company had a net operating loss carryforward for U.S. federal income tax purposes of approximately $1.1 million that begins to expire in 2023. The income tax loss carryforward may be subject to certain limitations based upon changes in ownership that could impair the ability to utilize the benefits of this loss in the future. Although realization of the net deferred tax asset is not assured, management believes, based upon current estimates, that it is more likely than not that all of the net deferred tax assets will be realized. Accordingly, a valuation allowance has not been recorded as of December 31, 2002 or 2003.

7. Notes payable to HCG Holdings LLC

At various times during 2002, the Company entered into promissory note agreements with HCG Holdings LLC. The total principal amount borrowed under the promissory note agreements as of December 31, 2002 and 2003 is $10,075,764. Interest accrues daily on the promissory notes at a rate of 8% per year and aggregated $342,741 and $819,624 at December 31, 2002 and 2003. Interest is payable annually beginning on January 2, 2003. The notes mature five years and six months from the date of issuance as follows:

2007	$ 100,502
2008	9,975,262
	$ 10,075,764

The Company may prepay the principal at any time without penalty. Prepayment of the notes is mandatory upon a fundamental change, change of control or qualified public offering, as defined in the promissory note agreements.

8. Line of credit and guarantee

Huron LLC had a committed borrowing facility amounting to the lesser of $5.0 million or 75% of eligible accounts receivable that was unused as of December 31, 2003, the term expiring on January 31, 2004. Before expiring, the borrowing facility was amended to extend the term to February 10, 2005 and increase the total availability to the lesser of $15.0 million or the sum of (a) 75% of eligible accounts receivable and (b) the lesser of 30% of unbilled services and $3.0 million. As of June 30, 2004, there were no borrowings under the credit agreement. Borrowings under the credit agreement bear interest at either the prime rate or LIBOR, rounded up to the nearest whole percentage, plus 2.75%. Borrowings are secured by substantially all of Huron LLC's assets. At December 31, 2003, Huron LLC was in compliance with or obtained waivers for its debt covenants.

Guarantees in the form of letters of credit of $1.0 million and $1.7 million were outstanding at December 31, 2003 and June 30, 2004, respectively, to support certain office lease obligations.

9. Capital structure

The Company's capital structure consists of 8% Preferred Stock, Preferred Stock and Class A and Class B Common Stock.

8% preferred stock

The 8% preferred stock has a stated value of $1,000 per share and accrues dividends on a daily basis, compounded annually, at the rate of 8% per annum on the stated value. In the event of a liquidation, dissolution or winding up of the Company, the holders of the 8% preferred stock will be entitled to be paid an amount equal to the stated value plus all cumulative accrued and unpaid dividends (the "Liquidation Preference") before any distributions are made with respect to Preferred Stock or Class A and Class B Common Stock. Remaining assets for distribution will be distributed on a share for share basis, to the holders of the Class A and Class B Common Stock and the holders of the 8% preferred stock. The Liquidation Preference and the pro rata portion of the 8% preferred stock's liquidation participation amount are collectively referred to as the "Liquidation Amount."

At any time after April 23, 2008, holders of the 8% preferred stock may require the Company to redeem all or a portion of their stock at the Liquidation Amount, calculated as if the Company were to be liquidated as of the date of such redemption, provided that during the one-year prior to April 23, 2009, the Company is not required to redeem more than 50% of the 8% preferred stock from any holder. At any time, the Company may redeem the 8% preferred stock at the Liquidation Amount, calculated as if the Company were to be liquidated as of the date of such redemption.

In the event of a qualified public offering, holders of the 8% preferred stock have the right to either (i) convert each share of 8% preferred stock into Class A Common Stock, based on the Liquidation Amount less accrued but unpaid dividends, as well as receive payment of the accrued but unpaid dividends; (ii) convert each share of 8% preferred stock into Class A Common Stock, based on the Liquidation Amount; or (iii) continue to hold all of the 8% preferred stock. The conversion rate is based on the Liquidation Amount (less accrued and unpaid dividends, if applicable) divided by the mid-range offering price of a share of common stock to be sold to the public in a qualified public offering.

Preferred stock

The Company is expressly authorized to provide for the issuance of all or any of the 50,000,000 authorized Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers and such distinctive designations or other special rights and restrictions as shall be stated and expressed in the resolutions adopted by the Company's Board of Directors. As of December 31, 2002 and 2003, no such Preferred Stock have been approved or issued.

Common stock

Subject to the rights of the holders of the 8% preferred stock and any series of Preferred Stock, holders of voting Class A and nonvoting Class B Common Stock shall be entitled to receive dividends declared by the Company's Board of Directors.

Upon a change in control or qualified public offering, all issued and outstanding Class B Common Stock will be converted into Class A Common Stock and the Class B Common Stock will cease to exist.

Under the Huron Consulting Group Inc. 2002 Equity Incentive Plan, an officer of Huron LLC purchased 521,740 shares of Class B Common Stock during 2002, which are subject to vesting and forfeiture provisions, at a cost of $0.023 per share. In limited circumstances, the Company has repurchase rights with respect to vested and unvested shares.

10. Equity incentive plan

In 2002, the Huron Consulting Group Inc. 2002 Equity Incentive Plan and the Huron Consulting Group Inc. 2002 Equity Incentive Plan (California) were established pursuant to which up to 1,316,740 Class B non-voting and 108,696 Class A voting shares, respectively, may be granted. In 2003, the Huron Consulting Group Inc. 2003 Equity Incentive Plan was established pursuant to which up to 1,377,392 Class B nonvoting shares may be granted. The equity incentive plans (the "Plans") provide for the issuance of equity options, equity appreciation rights and equity awards to employees, officers, directors, consultants or advisors to the Company.

The equity option activity under the Plans is as follows:

	Common shares	Weighted average exercise price
Balance at March 19, 2002 (inception)	—	$ —
Granted	855,890	0.02
Exercised	—	—
Forfeited	(13,044)	0.02
Expired	—	—
Balance at December 31, 2002	842,846	0.02
Granted	935,302	0.60
Exercised	(160,608)	0.02
Forfeited	(18,267)	0.18
Expired	—	—
Balance at December 31, 2003	1,599,273	0.36
Granted (unaudited)	422,449	1.96
Exercised (unaudited)	(213,028)	0.18
Forfeited (unaudited)	(95,653)	0.57
Expired (unaudited)	—	—
Balance at June 30, 2004 (unaudited)	1,713,041	$ 0.76

During the eighteen-month period ended June 30, 2004, the Company granted options with exercise prices as follows:

Grants Made During Quarter Ended	Number of Options Granted	Weighted-Average Exercise Price Per Share	Weighted-Average Fair Value Per Share	Intrinsic Value Per Share
March 31, 2003	64,130	$0.07	$0.85	$0.78
June 30, 2003	598,346	0.53	0.85	0.32
September 30, 2003	66,304	0.85	0.85	—
December 31, 2003	206,522	0.85	2.05	1.20
March 31, 2004 (unaudited)	422,449	1.96	8.28	6.32
June 30, 2004 (unaudited)	—	—	—	—

The intrinsic value per share is being recorded as compensation expense over the applicable vesting period. Given the lack of a public market for the Company's common stock, the Company established an estimated fair value of the common stock as well as the exercise price for the options to purchase this stock. At various dates during the year, the Company estimated the fair value of the common stock by evaluating the results of business activities and projections of future results of operations.

The characteristics of outstanding and of exercisable stock options under the Company's Plans at December 31, 2003 were as follows:

	December 31, 2003			
	Options outstanding		Options exercisable	
Having a Per share exercise price of	Weighted average remaining life	Number of shares	Weighted average remaining life	Number of shares
$0.00–0.02	8.6	794,199	8.7	46,847
$0.03–0.58	9.4	466,797	—	—
$0.59–0.74	9.4	43,703	—	—
$0.75–0.85	9.9	294,574	—	—
Total	9.1	1,599,273	8.7	46,847

As of December 31, 2003, there were exercisable equity options of 46,847, with a weighted average exercise price of $0.02. There were no options exercisable at December 31, 2002. Subject to acceleration under certain conditions, all equity options vest and become fully exercisable after 4 years from the date of grant so long as the employee remains employed by the Company. All options expire ten years after the grant date.

The fair value of each equity option is estimated (on the date of grant) based on the Black-Scholes option pricing model with the following weighted-average assumptions used for grants for the years ended December 31, 2002 and 2003:

	December 31,	
	2002	2003
Dividend yield	None	None
Risk-free interest rate	3.3%	2.3%
Expected option life (in years)	5	4

See Note 2 for compensation expense for the Plans using the fair value-based method, consistent with SFAS No. 123.

11. Commitments and contingencies

Litigation

From time to time, the Company is involved in various legal matters arising out of the ordinary course of business. Although the outcome of these matters cannot presently be determined, in the opinion of management, disposition of these matters will not have a material adverse effect on the financial position or results of operations of the Company.

Lease commitments

The Company has various lease agreements, principally for office space, with various renewal options. Rental expense, including operating costs and taxes, for the period from March 19, 2002 (inception) to December 31, 2002 and the year ended December 31, 2003 was $1,152,595 and $2,993,462, respectively. Future minimum rental commitments under non-cancelable operating leases as of December 31, 2003, are as follows:

2004	$ 3,322,034
2005	3,962,048
2006	3,618,413
2007	3,586,258
2008	3,233,891
Thereafter	14,179,372
Total minimum lease commitments	$ 31,902,016

12. Segment information

Segment operating income consists of the revenues generated by a segment, less the direct costs of revenue and selling, general and administrative costs that are incurred directly by the segment. Unallocated corporate costs include costs related to administrative functions that are performed in a centralized manner that are not attributable to a particular segment. These administrative function costs include costs for corporate office support, all office facility costs, costs relating to accounting and finance, human resources, legal, marketing, information technology and company-wide business development functions, as well as costs related to overall corporate management.

Notes to consolidated financial statements

The following table presents information about reported segments along with the items necessary to reconcile the segment information to the totals reported in the accompanying consolidated financial statements:

	Period from March 19, 2002 (inception) to December 31, 2002	Year ended December 31, 2003	Six months ended June 30, 2003	Six months ended June 30, 2004
			(unaudited)	
Financial Consulting:				
Revenues	$ 22,399,602	$ 69,941,301	$ 33,518,731	$ 50,826,200
Segment operating income	3,911,894	22,011,032	12,941,764	20,287,829
Segment operating income as a percent of segment revenues	17.5%	31.5%	38.6%	39.9%
Operational Consulting:				
Revenues	$ 12,701,110	$ 31,544,373	$ 13,404,614	$ 30,777,483
Segment operating income	3,527,188	5,383,260	3,033,381	10,237,687
Segment operating income as a percent of segment revenues	27.8%	17.1%	22.6%	33.3%
Total Company:				
Revenues	$ 35,100,712	$ 101,485,674	$ 46,923,345	$ 81,603,683
Reimbursable expenses	2,921,301	8,808,455	3,906,477	7,090,384
Total revenues and reimbursable expenses	$ 38,022,013	$ 110,294,129	$ 50,829,822	$ 88,694,067
Statement of operations reconciliation:				
Segment operating income	$ 7,439,082	$ 27,394,292	$ 15,975,145	$ 30,525,516
Charges not allocated at the segment level:				
Other selling, general and administrative expenses	7,205,793	20,614,477	9,475,512	14,327,317
Depreciation and amortization expense	3,047,914	5,328,484	2,657,997	1,074,842
Loss on lease abandonment	—	1,668,000	—	—
Restructuring charge	—	—	—	2,138,827
Management and advisory fees paid to related parties and organization costs	3,715,489	—	—	—
Interest expense	331,784	856,252	418,570	516,015
Other expense	1,113	111,513	111,513	(724)
Net (loss) income before (benefit) provision for income taxes	$ (6,863,011)	$ (1,184,434)	$ 3,311,553	$ 12,469,239

	December 31, 2002	December 31, 2003	June 30, 2004 (unaudited)
Segment assets:			
Financial Consulting	$ 8,727,367	$ 15,960,872	$ 21,419,176
Operational Consulting	3,837,219	7,103,108	12,755,714
Unallocated assets	14,018,073	16,824,730	14,756,933
Total assets	$ 26,582,659	$ 39,888,710	$ 48,931,823

All long-lived assets are in the United States. During 2002 and 2003, no customer in either segment accounted for 10% or more of total revenues of the Company.

13. Valuation and qualifying accounts

The following summarizes the activity of the allowance for doubtful accounts and unbilled services:

	Balance at beginning of period	Additions charged to income	Deductions	Balance at end of period
Period from March 19, 2002 (inception) to December 31, 2002:				
Allowance for doubtful accounts and unbilled services	$ —	841,104	459,351	$ 381,753
Year Ended December 31, 2003:				
Allowance for doubtful accounts and unbilled services	$ 381,753	5,334,767	3,924,800	$ 1,791,720

* Deductions include write-offs of accounts receivable, fee adjustments related to estimated overruns on fixed and capped fee engagements and other discretionary pricing adjustments.

14. Subsequent events (unaudited)

Restructuring charge

In March 2004, the Company incurred a $2.1 million pre-tax restructuring charge associated with the closing of two offices. The charge included approximately $2.0 million for severance payments, all of which were paid in April 2004, and an accrual of approximately $0.1 million for office lease payments, which were paid by August 31, 2004.

Dividend

On May 12, 2004, the Company declared a special dividend on each outstanding share of Class A and Class B Common Stock and 8% preferred stock payable to holders of record on May 25, 2004. The 8% preferred stock participated on an as converted basis. The aggregate amount of the dividend totaled $1.25 million and was paid on June 29, 2004.

Line of credit

At June 30, 2004, Huron LLC was in compliance with or obtained waivers for its debt covenants.

Severance charges

In September 2004, the Company decided to eliminate a service offering of a practice area in the operational consulting segment that was not meeting its expectations. Additionally, in a continual effort to streamline operations and allocate resources more appropriately, the Company reduced headcount in certain other practice areas across both segments. In connection with these actions, the Company expects to record charges in the third quarter of 2004 of approximately $2.1 million for severance payments.

Authorized shares; reverse stock split

Prior to the consummation of the Company's proposed initial public offering, the Company intends to amend and restate its certificate of incorporation to, among other things, increase the authorized number of shares of Class A Common Stock from 32,433,573 to 500,000,000 and Preferred Stock from 200,000 to 50,000,000 and to effect a 1 for 2.3 reverse stock split of the Company's outstanding shares of Class A and Class B common stock. All references to share and per share amounts have been adjusted retroactively for all periods presented to reflect the foregoing.


Huron
CONSULTING GROUP

Part II

Information not required in prospectus

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of common stock being registered. All amounts, other than the SEC registration fee and the NASD filing fee, are estimates.

SEC registration fee	$ 14,571
NASD Filing fee	12,000
NASDAQ National Market listing fee	100,000
Printing and engraving expenses	225,000
Legal fees and expenses	1,600,000
Accounting fees and expenses	800,000
Transfer agent and registrar fees and expenses	15,000
Premium for directors and officers insurance	700,000
Miscellaneous fees and expenses	250,000
Total	$ 3,716,571

* *To be completed by amendment.*

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 102 of the General Corporation Law of the State of Delaware (the "DGCL") allows a corporation to eliminate the personal liability of directors to a corporation or its stockholders for monetary damages for a breach of a fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase or redemption in violation of Delaware corporate law or obtained an improper personal benefit.

Section 145 of the DGCL empowers a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A Delaware corporation may indemnify directors, officers, employees and other agents of such corporation in an action by or in the right of a corporation under the same conditions against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense and settlement of such action or suit, except that no indemnification is permitted without judicial approval if the person to be indemnified has been adjudged to be liable to the corporation. Where a present or former director or officer of the corporation is successful on the merits or otherwise in the defense of any

action, suit or proceeding referred to above or in defense of any claim, issue or matter therein, the corporation must indemnify such person against the expenses (including attorneys' fees) which he or she actually and reasonably incurred in connection therewith.

Section 174 of the DGCL provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered into the books containing the minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

The Registrant's Certificate of Incorporation contains provisions that provide for indemnification of officers and directors and their heirs and representatives to the full extent permitted by, and in the manner permissible under, the DGCL.

As permitted by Section 102(b)(7) of the DGCL, the Registrant's Certificate of Incorporation contains a provision eliminating the personal liability of a director to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, subject to some exceptions.

The Registrant maintains, at its expense, a policy of insurance which insures its directors and officers, subject to exclusions and deductions as are usual in these kinds of insurance policies, against specified liabilities which may be incurred in those capacities.

The Underwriting Agreement, contained in Exhibit 1.1 hereto, provides for indemnification by the underwriters of the Registrant, its directors and officers, HCG Holdings LLC (the selling stockholder), its directors, officers and members and any person who controls the Registrant or HCG Holdings LLC within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against certain liabilities, including liabilities under the Securities Act. The underwriting agreement also provides for similar cross-indemnification by the Registrant and HCG Holdings LLC.

The Restricted Shares Award Agreement, contained in Exhibit 10.5, provides for cross-indemnification by the Registrant and Gary E. Holdren in connection with registration of the Registrant's common stock on behalf of Mr. Holdren.

The Registration Rights Agreement, contained in Exhibit 10.20, provides for cross-indemnification by the Registrant and HCG Holdings LLC in connection with registration of the Registrant's common stock on behalf of HCG Holdings LLC.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

The transactions described in this Item 15 with respect to the Registrant's Class A and Class B common stock and options exerciseable therefor give effect to a 1 for 2.3 reverse stock split of the Registrant's Class A and Class B common stock, which will occur prior to the consummation of the offering described in the prospectus contained in this Registration Statement.

1. Between April and June 2002, in connection with our initial capitalization, we issued to HCG Holdings LLC an aggregate of 12,500 shares of our 8% preferred stock for an aggregate consideration of $12.5 million and an aggregate of approximately 25.9 million shares of our common stock at a purchase price of $0.01 per share for an aggregate consideration of approximately $0.3 million.

2. In December 2002, the Registrant issued a total of 521,740 shares of Class B common stock to Gary E. Holdren, the Registrant's Chief Executive Officer, for aggregate consideration of $12,000.

3. Since August 2002 through September 17, 2004, the Registrant has issued to officers, employees and third-party consultants options to purchase 2,102,758 shares of Class B common stock with per share exercise prices ranging from $0.02 to $1.96. The Registrant did not issue any shares of Class B common stock in respect of these options in 2002. In 2003, the Registrant issued 160,608 shares of Class B common stock upon exercise of such options for an aggregate exercise price of $3,694. In 2004 (through September 17, 2004), the Registrant issued 214,815 shares of Class B common stock upon exercise of such options for an aggregate exercise price of $37,170. As of September 17, 2004, 146,671 of these options have been cancelled or forfeited and 1,580,574 remain outstanding.

4. Since August 2002 through September 17, 2004, the Registrant has issued to officers, board members, employees and third-party consultants options to purchase 110,883 shares of Class A common stock with per share exercises prices ranging from $0.02 to $1.96. The Registrant did not issue any shares of Class A common stock in respect of these options in 2002 or 2003. In 2004 (through September 17, 2004), the Registrant has issued 4,513 shares of Class A common stock upon exercise of such options for an aggregate exercise price of $3,322. As of September 17, 2004, 16,903 of these options have been cancelled or forfeited and 89,467 remain outstanding.

The issuances of securities described in paragraph 1 of this Item 15 were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act as transactions by an issuer not involving any public offering. The issuances of securities described in paragraphs 2 through 4 of this Item 15 were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act and Rule 701 promulgated thereunder as offers and sales of securities pursuant to compensatory benefit plans and contracts relating to compensation.

The recipients of securities in each transaction described in this Item 15 represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and other instruments issued in such transactions. The transactions described in this Item 15 were made without general solicitation or advertising and no underwriter was employed in connection with any of such transactions.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

a) The following documents are exhibits to the Registration Statement.

Exhibit number	Description of exhibit
1.1	Form of Underwriting Agreement.
3.1	Form of Third Amended and Restated Certificate of Incorporation of Huron Consulting Group Inc.
3.2**	Form of Bylaws of Huron Consulting Group Inc.
4.1**	Form of Specimen Stock Certificate
5.1	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to Huron Consulting Group Inc.
10.1**	Office Lease, dated December 2003, between Union Tower, LLC and Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC).
10.2**	Senior Management Agreement, effective as of May 13, 2002, between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and Gary E. Holdren.

Part II

Exhibit number	Description of exhibit
10.3**	First Amendment to Senior Management Agreement between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and Gary E. Holdren.
10.4	Second Amendment to Senior Management Agreement between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and Gary E. Holdren.
10.5**	Restricted Shares Award Agreement, dated December 10, 2002, between Huron Consulting Group Inc., Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC), HCG Holdings LLC and Gary E. Holdren.
10.6**	Restricted Shares Award Agreement, dated December 31, 2002, between Huron Consulting Group Inc. and Gary E. Holdren.
10.7**	Senior Management Agreement, effective as of August 12, 2002, between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and George E. Massaro.
10.8	First Amendment to Senior Management Agreement between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and George E. Massaro.
10.9**	Senior Management Agreement, effective as of May 15, 2002, between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and Daniel Broadhurst.
10.10	First Amendment to Senior Management Agreement between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and Daniel Broadhurst.
10.11**	Senior Management Agreement, effective as of May 1, 2002, between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and Mary Sawall.
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10.13**	Huron Consulting Group Inc. 2002 Equity Incentive Plan and form of options agreement thereunder.
10.14**	Amendment No. 1 to Huron Consulting Group Inc. 2002 Equity Incentive Plan.
10.15**	Amended and Restated Huron Consulting Group Inc. 2002 Equity Incentive Plan (California) and form of options agreement thereunder.
10.16**	Huron Consulting Group Inc. 2003 Equity Incentive Plan and form of options agreement thereunder.
10.17	Form of Huron Consulting Group Inc. 2004 Omnibus Stock Plan and form of option and restricted stock agreement thereunder.
10.18**	Second Amended and Restated Secured Revolving Line of Credit Note, dated February 11, 2004, between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and LaSalle Bank, N.A.
10.19**	Loan and Security Agreement, dated January 31, 2003, between Huron Consulting Services LLC (formerly known as Huron Consulting Group LLC) and LaSalle Bank, N.A., including amendments thereto, dated as of January 28, 2004, February 11, 2004 and May 7, 2004.
10.20	Form of Registration Rights Agreement, dated , 2004, between Huron Consulting Group Inc. and HCG Holdings LLC.

Part II

Exhibit number	Description of exhibit
10.21	Form of management rights letter agreement, dated , 2004, between Huron Consulting Group Inc. and Lake Capital Partners LP.
21.1**	List of Subsidiaries of Huron Consulting Group Inc.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.1).
24.1**	Power of Attorney (included on signature page).
99.1**	Consent of Director Nominee (Deborah A. Bricker)
99.2**	Consent of Director Nominee (James D. Edwards)
99.3**	Consent of Director Nominee (John McCartney)
99.4**	Consent of Director Nominee (DuBose Ausley)

** *Previously filed.*

b) Financial Statement Schedules

All schedules have been omitted because the information required to be set forth in the schedules is not applicable or is shown in the consolidated financial statements or notes thereto.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act 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 Securities 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 Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, 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, 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.

Part II

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 4 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago, State of Illinois, on September 27, 2004.

HURON CONSULTING GROUP INC.

By: /S/ GARY E. HOLDREN

Name: Gary E. Holdren
Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 4 to Registration Statement has been signed by the following persons in the capacities indicated below on September 27, 2004.

Signature	Title
/S/ GARY E. HOLDREN Gary E. Holdren	President, Chief Executive Officer and Director (principal executive officer)
* George E. Massaro	Chief Operating Officer and Director
/S/ GARY L. BURGE Gary L. Burge	Chief Financial Officer (principal financial and accounting officer)

*By: /S/ GARY L. BURGE

Gary L. Burge,
as attorney-in-fact

Exhibit index

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99.3**	Consent of Director Nominee (John McCartney)
99.4**	Consent of Director Nominee (DuBose Ausley)

* *To be filed by amendment.*

** *Previously filed.*

Exhibit 1.1

HURON CONSULTING GROUP INC.

_____ Shares

Common Stock
($0.01 Par Value)

UNDERWRITING AGREEMENT

_____ , 2004

UNDERWRITING AGREEMENT

_____ , 2004

UBS Securities LLC
Deutsche Bank Securities Inc.
William Blair & Company, L.L.C.
as Managing Underwriters
c/o UBS Securities LLC
299 Park Avenue
New York, New York 10171

Ladies and Gentlemen:

Huron Consulting Group Inc., a Delaware corporation (the "Company"), proposes to issue and sell, and HCG Holdings LLC, a Delaware limited liability company (the "Selling Stockholder"), proposes to sell, to the underwriters named in Schedule A annexed hereto (the "Underwriters"), for whom you are acting as representatives, an aggregate of _____ shares (the "Firm Shares") of Common Stock, $0.01 par value (the "Common Stock"), of the Company, of which _____ shares are to be issued and sold by the Company and _____ shares are to be sold by the Selling Stockholder. In addition, solely for the purpose of covering over-allotments, the Selling Stockholder proposes to grant to the Underwriters the option to purchase from the Selling Stockholder up to an additional _____ shares of Common Stock (the "Additional Shares"). The Firm Shares and the Additional Shares are hereinafter collectively sometimes referred to as the "Shares." The Shares are described in the Prospectus that is referred to below.

The Company hereby acknowledges that in connection with the proposed offering of the Shares, it has requested UBS Financial Services Inc. ("UBS-FinSvc") to administer a directed share program (the "Directed Share Program") under which up to _____ Firm Shares, or 5% of the Firm Shares to be purchased by the Underwriters (the "Reserved Shares"), shall be reserved for sale by UBS-FinSvc at the initial public offering price to the Company's officers, employees, third-party consultants, members of the Company's board of directors and other persons having a relationship with the Company, as designated by the Company (the "Directed Share Participants"), as part of the distribution of the Shares by the Underwriters, subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the NASD (as defined below) and all other applicable laws, rules and regulations. The number of Shares available for sale to the general public will be reduced to the extent that Directed Share Participants purchase Reserved Shares. The Underwriters may offer any Reserved Shares not purchased by Directed Share Participants to the general public on the same basis as the other Shares being issued and sold hereunder. The Company has supplied UBS-FinSvc with names, addresses and telephone numbers of the individuals or other entities which the Company has designated to be participants in the Directed Share Program. It is understood that any number of those designated to participate in the Directed Share Program may decline to do so.

The Company has filed, in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations thereunder (collectively, the "Act"), with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (File No. 333-115434) including a prospectus, relating to the Shares. The Company has furnished to you, for use by the

Underwriters and by dealers, copies of one or more preliminary prospectuses (each thereof, being herein called a "Preliminary Prospectus") relating to the Shares. Except where the context otherwise requires, the registration statement, as amended when it becomes effective, including all documents filed as a part thereof, and including any information contained in a prospectus subsequently filed with the Commission pursuant to Rule 424(b) under the Act and deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430(A) under the Act and also including any registration statement filed pursuant to Rule 462(b) under the Act, is herein called the "Registration Statement," and the prospectus, in the form filed by the Company with the Commission pursuant to Rule 424(b) under the Act on or before the second business day after the date hereof (or such earlier time as may be required under the Act) or, if no such filing is required, the form of final prospectus included in the Registration Statement at the time it became effective, is herein called the "Prospectus." As used herein, "business day" shall mean a day on which the New York Stock Exchange is open for trading, and "Exchange Act" shall mean collectively the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

The Company, the Selling Stockholder and the Underwriters agree as follows:

1. Sale and Purchase. Upon the basis of the representations and warranties and subject to the terms and conditions herein set forth, the Company agrees to issue and sell, and the Selling Stockholder agrees to sell, severally and not jointly, to the respective Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase from the Company and the Selling Stockholder, the respective number of Firm Shares (subject to such adjustment as you may determine to avoid fractional shares) that bears the same proportion to the number of Firm Shares to be sold by the Company or by the Selling Stockholder, as the case may be, as the number of Firm Shares set forth opposite the name of such Underwriter in Schedule A attached hereto, subject to adjustment in accordance with Section 10 hereof, in each case at a purchase price of $_____ per Share. The Company and the Selling Stockholder are advised by you that the Underwriters intend (i) to make a public offering of their respective portions of the Firm Shares as soon after the effective date of the Registration Statement as in your judgment is advisable and (ii) initially to offer the Firm Shares upon the terms set forth in the Prospectus. You may from time to time increase or decrease the public offering price after the initial public offering to such extent as you may determine.

In addition, the Selling Stockholder hereby grants to the several Underwriters the option to purchase, and upon the basis of the representations and warranties and subject to the terms and conditions herein set forth, the Underwriters shall have the right to purchase, severally and not jointly, from the Selling Stockholder, ratably in accordance with the number of Firm Shares to be purchased by each of them, all or a portion of the Additional Shares as may be necessary to cover over-allotments made in connection with the offering of the Firm Shares, at the same purchase price per share to be paid by the Underwriters to the Company and the Selling Stockholder for the Firm Shares. This option may be exercised by UBS Securities LLC ("UBS") and Deutsche Bank Securities Inc. ("Deutsche Bank") on behalf of the several Underwriters at any time and from time to time on or before the thirtieth day following the date hereof, by written notice to the Company and the Selling Stockholder. Such notice shall set forth the aggregate number of Additional Shares as to which the option is being exercised, and the date and time when the Additional Shares are to be delivered (such date and time being herein referred to as the "additional time of purchase"); provided, however, that the additional time of purchase shall not be earlier than the time of purchase (as defined below) nor earlier than the second business day after the date on which the option shall have been exercised nor later than the tenth business day after the

date on which the option shall have been exercised. At any additional time of purchase, and upon the basis of the representations and warranties and subject to the terms and conditions herein set forth, the Selling Stockholder agrees to sell to the respective Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase the number of Additional Shares that bears the same proportion to the aggregate number of Additional Shares being purchased at such additional time of purchase as the number of Firm Shares set forth opposite the name of such Underwriter on Schedule A hereto bears to the total number of Firm Shares (subject, in each case, to such adjustment as you may determine to eliminate fractional shares), subject to adjustment in accordance with Section 10 hereof.

2. Payment and Delivery. Payment of the purchase price for the Firm Shares shall be made to the Company and the Selling Stockholder by federal funds wire transfer, against delivery of (i) the Firm Shares to be sold by the Company to you through the facilities of The Depository Trust Company (DTC) and (ii) certificates for the Firm Shares to be sold by the Selling Stockholder, in each case for the respective accounts of the Underwriters. Such payment and delivery shall be made at 10:00 A.M., New York City time, on _____, 2004 (unless another time shall be agreed to by you and the Company and the Selling Stockholder or unless postponed in accordance with the provisions of Section 10 hereof). The time at which such payment and delivery are to be made is hereinafter sometimes called "the time of purchase." Delivery of the Firm Shares shall be made to you at the time of purchase in such names and in such denominations as you shall specify.

Payment of the purchase price for the Additional Shares shall be made at the additional time of purchase in the same manner and at the same office as the payment for the Firm Shares. Delivery of the Additional Shares shall be made to you at the additional time of purchase in such names and in such denominations as you shall specify.

Deliveries of the documents described in Section 8 hereof with respect to the purchase of the Shares shall be made at the offices of Katten Muchin Zavis Rosenman, 525 West Monroe Street, Suite 1600, Chicago, Illinois 60661, at 9:00 A.M., New York City time, on the date of the closing of the purchase of the Firm Shares or the Additional Shares, as the case may be.

3. Representations and Warranties of the Company. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) the Registration Statement has been declared effective under the Act; no stop order of the Commission preventing or suspending the use of any Preliminary Prospectus or the effectiveness of the Registration Statement is in effect and no proceedings for such purpose are pending or, to the Company's knowledge, are threatened or contemplated by the Commission; each Preliminary Prospectus and any amendment or supplement thereto, at the time of filing thereof, complied in all material respects with the requirements of the Act and the Preliminary Prospectus dated _____, 2004, did not, as of its date, and does not contain an 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; the Registration Statement complied when it became effective, complies and, as amended or supplemented, if applicable, will comply, at the time of purchase and any additional time of purchase, in all material respects with the requirements of the Act; the

Prospectus will comply, as of its date and at the time of purchase and any additional times of purchase, in all material respects with the requirements of the Act and any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement have been and will be so described or filed; the Registration Statement did not when it became effective, does not and, as amended or supplemented, if applicable, will not, at the time of purchase and any additional time of purchase, contain an 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 not misleading and the Prospectus, as amended or supplemented, if applicable, will not, as of its date and at the time of purchase and any additional time of purchase, contain an 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; provided, however, that the Company makes no warranty or representation with respect to any statement contained in, or omission from, any Preliminary Prospectus, the Registration Statement or the Prospectus based upon and in conformity with information concerning an Underwriter and furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in any such Preliminary Prospectus, the Registration Statement or the Prospectus, it being understood and agreed that the only such information is that described in Section 12; and the Company has not distributed and will not distribute any offering material in connection with the offering or sale of the Shares other than the Registration Statement, the Preliminary Prospectus or the Prospectus;

(b) as of the date of this Agreement, the Company has an authorized and outstanding capitalization as set forth under the heading “Actual” in the section of the Registration Statement and the Prospectus entitled “Capitalization” and, after giving effect to the transactions contemplated by this Agreement, the Company shall have an authorized and outstanding capitalization as set forth under the heading “Pro Forma As Adjusted” in the section of the Registration Statement and the Prospectus entitled “Capitalization” (subject, in each case, to the issuance of shares of Common Stock upon exercise of stock options disclosed as outstanding in the Registration Statement and the Prospectus and the grant of options and restricted stock awards described in the Registration Statement and the Prospectus); all of the shares of capital stock, including the Common Stock and the Shares to be sold by the Selling Stockholder, of the Company issued and outstanding prior to the issuance of the Shares to be sold by the Company have been duly authorized and validly issued and are fully paid and non-assessable, have been issued in compliance with all federal and state securities laws and were not issued in violation of any preemptive right, resale right, right of first refusal or similar right;

(c) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, and has the corporate power and authority to own, lease and operate its properties and conduct its business as described in the Registration Statement and the Prospectus, to execute and deliver this Agreement and to issue, sell and deliver the Shares to be sold by it as contemplated herein;

(d) the Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the ownership or leasing of its properties or the

conduct of its business requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, individually or in the aggregate, have a material adverse effect on the business, properties, financial condition, results of operations or prospects of the Company and the Subsidiaries (as hereinafter defined) taken as a whole (a ”Material Adverse Effect”);

(e) the Company has no subsidiaries (as defined in Rule 405 of the Act) other than Huron Consulting Services LLC (“HCG LLC”), Huron Consulting Group Holdings (UK) Ltd. (“HCG UK”) and Huron Consulting Group Ltd. (“HCG Ltd.” and, together with HCG UK, the “UK Subsidiaries”) (collectively, the “Subsidiaries”); the Company owns 100% of the outstanding equity interest of HCG LLC and HCG UK, and HCG UK owns 100% of the outstanding equity interest of HCG Ltd.; other than the equity interest of the Subsidiaries, the Company does not own, directly or indirectly, any shares of stock or any other equity or long-term debt securities of any corporation or have any equity interest in any firm, partnership, joint venture, association or other entity; complete and correct copies of the certificates of incorporation and the by-laws, the certificate of formation and limited liability company agreement or equivalent organizational documents of the Company and the Subsidiaries, as the case may be, and all amendments thereto have been delivered to you or your counsel, and except as set forth in the exhibits to the Registration Statement no changes therein will be made subsequent to the date hereof and prior to the time of purchase or, if later, the additional time of purchase; HCG LLC has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with full limited liability company power and authority to own, lease and operate its respective properties and to conduct its respective business as described in the Registration Statement and the Prospectus; each UK Subsidiary is a limited company incorporated under English law, does not have any material assets or any material liabilities or obligations, direct or contingent, and has conducted no operations, other than those incidental to its formation; HCG LLC is duly qualified to do business as a limited liability company and is in good standing in each jurisdiction where the ownership or leasing of its properties or the conduct of its business requires such qualification, except to the extent that the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect; all of the outstanding equity interests of HCG LLC have been duly authorized and validly issued and are owned by the Company subject to no lien, security interest, other encumbrance or adverse claims; and no options, warrants or other rights to purchase, agreements or other obligations to issue or other rights to convert any obligation into equity or ownership interests in the Subsidiaries are outstanding;

(f) the Shares to be sold by the Company have been duly authorized and, when issued and delivered against payment therefor as provided herein, will be validly issued, fully paid and non-assessable and free of statutory and contractual preemptive rights, resale rights, rights of first refusal and similar rights;

(g) the capital stock of the Company, including the Shares, conforms in all material respects to the description thereof contained in the Registration Statement and the Prospectus under the heading “Description of capital stock” and the certificates for the Shares comply with the applicable requirements of the Company’s certificate of incorporation (as amended and

restated, the "Charter") and bylaws, applicable law and the rules of the NASDAQ National Market, and the holders of the Shares will not be subject to personal liability for the debts or obligations of the Company by reason of being such holders;

(h) this Agreement has been duly authorized, executed and delivered by the Company;

(i) the Company has the corporate power and authority to take, and has duly taken, all corporate action necessary to exercise its option under Article IV, Part E, Section 5.2 of the Charter to redeem (the "Redemption") all of the outstanding shares of its 8% Preferred Stock, par value $0.01 per share (the "8% Preferred"), all of which are held by the Selling Stockholder, and to pay the participating liquidation preference and all accrued and unpaid dividends thereon, which Redemption shall be consummated within two business days after the time of purchase, and the Company has provided all notices required to be provided in connection therewith;

(j) the Company has the corporate power and authority to take, and has duly taken, all corporate action necessary to authorize the payment in full (the "Prepayment") of all outstanding principal of, and accrued and unpaid interest on, the Company's outstanding 8% Promissory Notes held by the Selling Stockholder, which payment shall be made within two business days after the time of purchase;

(k) neither the Company nor HCG LLC is in breach or violation of its respective charter or by-laws, certificate of formation or limited liability company agreement, as the case may be; neither the Company nor any of the Subsidiaries is (i) in breach or violation of, or in default under (nor has any event occurred which with notice, lapse of time or both would result in any breach or violation of, constitute a default under or give the holder of any indebtedness (or a person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a part of such indebtedness under), any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which any of them or any of their properties may be bound or affected, except for any breach, violation or default that would not have a Material Adverse Effect or (ii) in contravention of any federal, state, local or foreign law, regulation or rule or any decree, judgment or order applicable to the Company or any Subsidiary, except any contravention that would not have a Material Adverse Effect;

(l) the execution and delivery of this Agreement by the Company, the consummation by the Company of the transactions contemplated hereby and its performance hereunder, including, without limitation, the issuance and sale of the Shares by the Company, the Redemption and the Prepayment, will not (i) result in any breach or violation of the Charter or by-laws of the Company, or the certificate of incorporation or bylaws, or certificate of formation or limited liability company agreement, or equivalent organizational documents, as the case may be, of any of the Subsidiaries, (ii) result in any breach or violation of, or constitute a default under (nor constitute any event which with notice, lapse of time or both would result in

any breach or violation of or constitute a default under) any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which any of them or any of their respective properties may be bound or affected, except for any breach, violation or default that would not have a Material Adverse Effect or prevent consummation of the transactions contemplated hereby or (iii) contravene any federal, state, local or foreign law, regulation or rule or any decree, judgment or order applicable to the Company or any of the Subsidiaries;

(m) no approval, authorization, license, consent or order of, or filing with, any federal, state, local or foreign governmental or regulatory commission, board, body, court, authority or agency is required in connection with the issuance and sale of the Shares by the Company or the consummation by the Company of the transactions contemplated hereby other than registration of the Shares under the Act, which has been or will be effected, and any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Shares are being offered by the Underwriters or under the rules and regulations of the National Association of Securities Dealers, Inc. (the "NASD");

(n) except as set forth in the Registration Statement and the Prospectus, (i) no person has the right, contractual or otherwise, to cause the Company to issue or sell to it any shares of Common Stock or shares of any other capital stock or other equity interests of the Company, (ii) no person has any preemptive rights, resale rights, rights of first refusal or other rights to purchase any shares of Common Stock or shares of any other capital stock or other equity interests of the Company, and (iii) no person has the right to act as an underwriter or as a financial advisor to the Company in connection with the offer and sale of the Shares, in the case of each of the foregoing clauses (i), (ii) and (iii), whether as a result of the filing or effectiveness of the Registration Statement or the sale of the Shares as contemplated thereby or otherwise; except as set forth in the Registration Statement and the Prospectus, no person has the right, contractual or otherwise, to cause the Company to register under the Act any shares of Common Stock or shares of any other capital stock or other equity interests of the Company, or to include any such shares or interests in the Registration Statement or the offering contemplated thereby, including as a result of the filing or effectiveness of the Registration Statement or the sale of the Shares as contemplated thereby or otherwise;

(o) each of the Company and the Subsidiaries has all necessary licenses, authorizations, consents and approvals and has made all necessary filings required under any federal, state, local or foreign law, regulation or rule, and has obtained all necessary licenses, authorizations, consents and approvals from other persons, in order to conduct its respective business, except where the failure to have or obtain such licenses, authorizations, consents and approvals or make such filings would not have a Material Adverse Effect; neither the Company nor any of the Subsidiaries is in violation of, or in default under, or has received notice of any proceedings relating to revocation or modification of, any such license, authorization, consent or approval, except where such violation, default, revocation or modification would not, individually or in the aggregate, have a Material Adverse Effect;

(p) all legal or governmental proceedings, affiliate transactions, off-balance sheet transactions, contracts, licenses, agreements, leases or documents of a character required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement have been so described or filed as required;

(q) there are no actions, suits, claims, investigations or proceedings pending or, to the Company's knowledge, threatened or contemplated to which the Company, the Subsidiaries or, to the Company's knowledge, any of the Company's officers or members of the Company's board of directors or members of any Subsidiary's board of managers or board of directors in their capacities as such officers or members, is a party or of which any of their respective properties is subject at law or in equity, before or by any federal, state, local or foreign governmental or regulatory commission, board, body, court, authority or agency, except any such action, suit, claim, investigation or proceeding that would not result in a judgment, decree or order having, individually or in the aggregate, a Material Adverse Effect or preventing consummation of the transactions contemplated hereby;

(r) PricewaterhouseCoopers LLP, whose report on the consolidated financial statements of the Company and the Subsidiaries is filed with the Commission as part of the Registration Statement and the Prospectus, is an independent registered public accounting firm as required by the Act;

(s) the consolidated financial statements included in the Registration Statement and the Prospectus, together with the related notes and schedules, present fairly, in all material respects, the consolidated financial position of the Company and the Subsidiaries as of the dates indicated and the consolidated results of operations and cash flows of the Company and the Subsidiaries for the periods specified and have been prepared in compliance with the requirements of the Act and in conformity with generally accepted accounting principles applied on a consistent basis during the periods involved; any pro forma financial statements or data included in the Registration Statement and the Prospectus comply, in all material respects, with the requirements of Regulation S-X of the Act and the assumptions used in the preparation of such pro forma financial statements and data are reasonable, the pro forma adjustments used therein are appropriate to give effect to the transactions or circumstances described therein and the pro forma adjustments have been properly applied to the historical amounts in the compilation of those statements and data; the other financial data and other operating data set forth in the Registration Statement and the Prospectus present fairly, in all material respects, the information included therein and have been prepared on a basis consistent with the financial statements and books and records of the Company and, to the extent described in the Registration Statement and the Prospectus, on a basis consistent with such description; there are no financial statements (historical or pro forma) that are required to be included in the Registration Statement and the Prospectus that are not included as required; and the Company and the Subsidiaries do not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), not disclosed in the Registration Statement and the Prospectus.

(t) subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, except as disclosed in the Registration Statement and the Prospectus, (i) there has not been any material adverse change, or any development involving a prospective material adverse change, in the business, properties, management, financial condition or results of operations of the Company and the Subsidiaries taken as a whole, (ii) neither the Company nor any of the Subsidiaries has entered into any transaction that is material to the Company and the Subsidiaries taken as a whole, other than transactions in the ordinary course that are not material and adverse to the Company and the Subsidiaries, taken as a whole, (iii) neither the Company nor any of Subsidiaries has incurred any obligation, direct or contingent (including any off-balance sheet obligations) that is material to the Company and the Subsidiaries, taken as a whole, (iv) there has not been any material change in the capital stock or outstanding indebtedness of the Company or the Subsidiaries and (v) there has not been any dividend or distribution of any kind declared, paid or made on the capital stock of the Company;

(u) the Company has obtained for the benefit of the Underwriters the agreement (a "Lock-Up Agreement"), substantially in the form set forth as Exhibit A hereto, of each member of the Company's board of directors and each of the Company's executive officers and managing directors, and the parties hereto acknowledge and agree that the lock-up agreement dated August 12, 2004 by and between the Selling Stockholder and the Underwriters is hereby superseded by Sections 6(b) and 6(c) hereof;

(v) the Company is not and, after giving effect to the offering and sale of the Shares, will not be an "investment company" or "controlled" by an entity subject to registration as an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(w) the Company and each of the Subsidiaries (i) do not own any real property and (ii) have good and marketable title to all personal property described in the Registration Statement and in the Prospectus as being owned by each of them, free and clear of all liens, claims, security interests or other encumbrances, except as disclosed in the Registration Statement and the Prospectus and as do not materially affect the value of such property and do not interfere with the use made of such property by the Company and the Subsidiaries, taken as a whole; all the property described in the Registration Statement and the Prospectus as being held under lease by the Company or a Subsidiary is held thereby under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made of such property by the Company and the Subsidiaries;

(x) Except as disclosed in the Registration Statement and Prospectus, (i) the Company and the Subsidiaries own, or have obtained valid and enforceable licenses for, or other rights to use, the inventions, patent applications, patents, trademarks (both registered and unregistered), tradenames, copyrights, trade secrets and other proprietary information described in the Registration Statement and the Prospectus as being owned or licensed by them or that are necessary for the conduct of their respective businesses (collectively, "Intellectual Property"), except where the failure to own, license or have such rights would not, individually or in the aggregate, have a Material Adverse Effect; (ii) there are no third parties who have or, to the

Company's knowledge, will be able to establish rights to any Intellectual Property, except for the ownership rights of the owners of the Intellectual Property that is licensed to the Company; (iii) to the Company's knowledge, there is no infringement by third parties of any Intellectual Property; (iv) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the Company's rights in or to any Intellectual Property, and the Company is unaware of any facts that could form a reasonable basis for any such claim; (v) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any Intellectual Property, and the Company is unaware of any facts that could form a reasonable basis for any such claim; and (vi) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others that the Company infringes or otherwise violates any patent, trademark, copyright, trade secret or other proprietary rights of others, and the Company is unaware of any facts that could form a reasonable basis for any such claim;

(y) neither the Company nor any of the Subsidiaries is engaged in any unfair labor practice; except for matters that would not, individually or in the aggregate, have a Material Adverse Effect, (i) there is (A) no unfair labor practice complaint pending or, to the Company's knowledge, threatened against the Company or any of the Subsidiaries before the National Labor Relations Board, and no grievance or arbitration proceeding arising out of or under collective bargaining agreements is pending, or to the Company's knowledge, threatened, (B) no strike, labor dispute, slowdown or stoppage pending or, to the Company's knowledge, threatened against the Company or any of the Subsidiaries and (C) no union representation dispute currently existing concerning the employees of the Company or any of the Subsidiaries, and (ii) to the Company's knowledge (A) no union organizing activities are currently taking place concerning the employees of the Company or any of the Subsidiaries and (B) there has been no violation of any federal, state, local or foreign law relating to discrimination in the hiring, promotion or pay of employees, any applicable wage or hour laws or any provision of the Employee Retirement Income Security Act of 1974 or the rules and regulations promulgated thereunder concerning the employees of the Company or any of the Subsidiaries;

(z) the Company and the Subsidiaries and their properties, assets and operations are in compliance with, and hold all permits, authorizations and approvals required under, Environmental Laws (as defined below), except to the extent that failure to so comply or to hold such permits, authorizations or approvals would not, individually or in the aggregate, have a Material Adverse Effect; there are no past, present or, to the Company's knowledge, reasonably anticipated future events, conditions, circumstances, activities, practices, actions, omissions or plans that could reasonably be expected to give rise to any material costs or liabilities to the Company or the Subsidiaries under, or to interfere with or prevent compliance by the Company or the Subsidiaries with, Environmental Laws; except as would not, individually or in the aggregate, have a Material Adverse Effect, neither the Company nor any of the Subsidiaries (i) is the subject of any investigation, (ii) has received any notice or claim, (iii) is a party to or affected by any pending or, to the knowledge of the Company, threatened action, suit or proceeding, (iv) is bound by any judgment, decree or order or (v) has entered into any agreement, in each case relating to any alleged violation of any Environmental Law or any actual or alleged release or threatened release or cleanup at any location of any Hazardous

Materials (as defined below) (as used herein, “Environmental Law” means any federal, state, local or foreign law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement, or common law, relating to health, safety or the protection, cleanup or restoration of the environment or natural resources, including those relating to the distribution, processing, generation, treatment, storage, disposal, transportation, other handling or release or threatened release of Hazardous Materials, and “Hazardous Materials” means any material (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) that is regulated by or may give rise to liability under any Environmental Law);

(aa) all income tax and other material tax returns required to be filed by the Company and HCG LLC have been filed, and all income taxes and other material taxes and other material assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax or penalties applicable thereto due or claimed in writing to be due from such entities have been paid, other than those being contested in good faith and for which adequate reserves have been provided;

(bb) the Company and each of the Subsidiaries maintains insurance covering its properties, operations, personnel and businesses as the Company deems adequate for the conduct of its business and the value of its assets and as previously disclosed to the Underwriters; such insurance insures against such losses and risks to an extent that is generally deemed adequate and customary for companies engaged in similar businesses in similar industries, except where the failure to be so insured would not have a Material Adverse Effect; all such insurance is fully in force on the date hereof and, to the Company’s knowledge, will be fully in force at the time of purchase and any additional time of purchase and the Company has no reason to believe that it will not be able to renew any existing insurance coverage (that is material to the operations of the Company and the Subsidiaries taken as a whole) as and when such coverage expires, or to obtain similar coverage from similar insurers as may be necessary to continue its business and at a cost that would not have a Material Adverse Effect;

(cc) neither the Company nor any of the Subsidiaries has sustained since the date of the last audited financial statements included in the Registration Statement and the Prospectus any loss or interference with its respective business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree that resulted in a Material Adverse Effect;

(dd) except as disclosed in the Prospectus, neither the Company nor any Subsidiary has sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in, or filed as an exhibit to, the Registration Statement, and no such termination or non-renewal has been threatened by the Company or, to the Company’s knowledge, any other party to any such contract or agreement;

(ee) each of the Company and the Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed

in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(ff) the Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15 and 15d-15 under the Exchange Act); such disclosure controls and procedures are designed to ensure that material information relating to the Company, including its Subsidiaries, is made known to the Company's Chief Executive Officer and its Chief Financial Officer by others within those entities, and such disclosure controls and procedures are effective to perform the functions for which they were established; the Company's auditors and the Board of Directors have been advised of: (i) any significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize, and report financial data, and (ii) any fraud, whether or not material, that involves management or other employees who have a role in the Company's internal controls; any material weaknesses in internal controls have been identified for the Company's auditors; and since the date of the most recent evaluation of such disclosure controls and procedures, there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(gg) the Company has provided you or your counsel with true, correct, and complete copies of all documentation pertaining to any extension of credit in the form of a personal loan made, directly or indirectly, by the Company or any Subsidiary to any director or executive officer of the Company, or to any family member or affiliate of any director or executive officer of the Company; and since July 30, 2002, the Company has not, directly or indirectly, including through the Subsidiaries: (i) extended credit, arranged to extend credit, or renewed any extension of credit, in the form of a personal loan, to or for any director or executive officer of the Company, or to or for any family member or affiliate of any director or executive officer of the Company; or (ii) made any material modification, including any renewal thereof, to any term of any personal loan to any director or executive officer of the Company, or any family member or affiliate of any director or executive officer, which loan was outstanding on July 30, 2002;

(hh) any statistical and market-related data included in the Registration Statement and the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate, and the Company has obtained the written consent to the use of such data from such sources to the extent required;

(ii) neither the Company nor any of the Subsidiaries nor, to the Company's knowledge, any employee or agent of the Company or the Subsidiaries has made any payment of funds of the Company or the Subsidiaries or received or retained any funds in violation of any law, rule or regulation, which payment, receipt or retention of funds is of a character required to be disclosed in the Registration Statement or the Prospectus;

(jj) neither the Company nor any of the Subsidiaries nor any of their respective directors, officers, affiliates or controlling persons has taken, directly or indirectly, any action designed, or that has constituted or might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(kk) to the Company's knowledge, there are no affiliations or associations between any member of the NASD and any of the Company's officers, directors or 5% or greater securityholders, except as set forth in the Registration Statement and the Prospectus;

(ll) the Registration Statement, the Prospectus and any Preliminary Prospectus comply, and any further amendments or supplements thereto will comply, with any applicable laws or regulations of any foreign jurisdiction in which the Prospectus or any Preliminary Prospectus is distributed in connection with the Directed Share Program; and no approval, authorization, consent or order of, or filing with, any governmental or regulatory commission, board, body, authority or agency, other than those obtained, is required in connection with the offering of the Reserved Shares in any jurisdiction where the Reserved Shares are being offered; and

(mm) the Company has not offered, or caused the Underwriters to offer, Shares to any person pursuant to the Directed Share Program with the intent to influence unlawfully (i) a client of the Company or any of the Subsidiaries to alter the client's level or type of business with the Company or any of the Subsidiaries, or (ii) a trade journalist or publication to write or publish favorable information about the Company or any Subsidiary or any of their respective services.

In addition, any certificate signed by any officer of the Company or any of the Subsidiaries and delivered to the Underwriters or counsel for the Underwriters in connection with the offering of the Shares shall be deemed to be a representation and warranty by the Company or such Subsidiary, as the case may be, as to matters covered thereby, to each Underwriter.

4. Representations and Warranties of the Selling Stockholder. The Selling Stockholder represents and warrants to each Underwriter that:

(a) the Selling Stockholder now is, and at the time of delivery of such Shares (whether the time of purchase or additional time of purchase, as the case may be) will be, the lawful owner of the number of Shares to be sold by the Selling Stockholder pursuant to this Agreement and has, and at the time of delivery thereof will have valid title to such Shares. Assuming that no Underwriter has notice of any adverse claims with respect to the Shares to be sold by the Selling Stockholder hereunder, then upon delivery of the certificate(s) evidencing such Shares indorsed to UBS or indorsed in blank by an effective indorsement in return for payment for such Shares (whether at the time of purchase or the additional time of purchase, as the case may be), UBS will acquire such certificate (and the Shares represented thereby) free of

any adverse claim under Section 8-303 of the Uniform Commercial Code as in effect on the date hereof in the State of Illinois;

(b) the Selling Stockholder has been duly formed and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, and has the limited liability company power and authority to execute and deliver this Agreement and to sell and deliver the Shares to be sold by it as contemplated herein;

(c) this Agreement has been duly authorized, executed and delivered by the Selling Stockholder;

(d) (i) the Preliminary Prospectus dated _____, 2004 did not, as of its date, and does not contain an untrue statement of a material fact relating to the Selling Stockholder or omit to state a material fact relating to the Selling Stockholder required to be stated therein or necessary to make the statements relating to the Selling Stockholder therein, in light of the circumstances under which they were made, not misleading; the Registration Statement did not, when it became effective, and does not, and, as amended and supplemented, if applicable, will not, at the time of purchase and any additional time of purchase, contain an untrue statement of a material fact relating to the Selling Stockholder or omit to state a material fact relating to the Selling Stockholder required to be stated therein or necessary to make the statements relating to the Selling Stockholder therein not misleading; and the Prospectus, as amended or supplemented, as applicable, will not, as of its date and at the time of purchase or any additional time of purchase, contain an untrue statement of a material fact relating to the Selling Stockholder or omit to state a material fact relating to the Selling Stockholder required to be stated therein or necessary to make the statements relating to the Selling Stockholder therein, in light of the circumstances under which they were made, not misleading;

(ii) except as provided in Section 4(d)(i), to the Selling Stockholder's knowledge, the Preliminary Prospectus dated _____, 2004 did not, as of its date, and does not, contain an 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 as provided in Section 4(d)(i), to the Selling Stockholder's knowledge, the Registration Statement did not, when it became effective, and does not, contain an 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 not misleading; provided, however, that the Selling Stockholder makes no warranty or representation with respect to any statement or omission in any Preliminary Prospectus, the Registration Statement or the Prospectus based upon and in conformity with information concerning an Underwriter and furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in such Preliminary Prospectus, the Registration Statement or the Prospectus as described in Section 12;

(e) the execution and delivery of this Agreement by the Selling Stockholder, the consummation by the Selling Stockholder of the transactions contemplated hereby and its performance hereunder, including, without limitation, the sale of the Shares to be sold by the Selling Stockholder, the Redemption and the Prepayment, will not (i) result in a breach or violation of the certificate of formation or limited liability company agreement of the Selling Stockholder, (ii) result in any breach or violation of, or constitute a default under (nor constitute any event which with notice, lapse of time or both would result in any breach of or constitute a default under), any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which the Selling Stockholder is a party or by which it or any of its properties may be bound or affected, except for any breach, violation or default that would not prevent consummation of the transactions contemplated hereby or (iii) contravene any federal, state, local or foreign law, regulation or rule or any decree, judgment or order applicable to the Selling Stockholder;

(f) no approval, authorization, license, consent or order of, or filing with, any federal, state, local or foreign governmental or regulatory commission, board, body, court, authority or agency is required in connection with the sale of the Shares by the Selling Stockholder or the consummation by the Selling Stockholder of the transactions contemplated hereby other than registration of the Shares under the Act, which has been or will be effected, and any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Shares are being offered by the Underwriters or under the rules and regulations of the NASD;

(g) neither the Selling Stockholder nor any of its directors, managers, members, officers, affiliates or controlling persons has taken, directly or indirectly, any action designed, or that has constituted or might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(h) the Selling Stockholder has not elected, pursuant to Section 7 of Article IV, Part E of the Charter, to convert any of its shares of the 8% Preferred or any accrued and unpaid dividends thereon into Common Stock; and

(i) the sale of the Selling Stockholder's Shares pursuant to this Agreement is not prompted by any information concerning the Company that is not set forth in the Prospectus.

5. Certain Covenants of the Company. The Company hereby agrees:

(a) to furnish such information as may be required and otherwise to cooperate in qualifying the Shares for offering and sale under the securities or blue sky laws of such states or other jurisdictions as you may reasonably designate and to maintain such qualifications in effect so long as you may request for the distribution of the Shares; provided that in connection therewith, the Company shall not be required to qualify as a foreign corporation, subject itself to taxation in any foreign jurisdiction, or consent to the service of process under the laws of any

such jurisdiction (except service of process with respect to the offering and sale of the Shares); and to promptly advise you of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for offer or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(b) to make available to the Underwriters in New York City, as soon as practicable after the Registration Statement becomes effective, and thereafter from time to time to furnish to the Underwriters, as many copies of the Prospectus (or of the Prospectus as amended or supplemented if the Company shall have made any amendments or supplements thereto after the effective date of the Registration Statement) as the Underwriters may reasonably request for the purposes contemplated by the Act; in case any Underwriter is required to deliver a prospectus after the nine-month period referred to in Section 10(a)(3) of the Act in connection with the sale of the Shares, the Company will prepare, at its expense, promptly upon request such amendment or amendments to the Registration Statement and the Prospectus as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Act;

(c) if, at the time this Agreement is executed and delivered, it is necessary for the Registration Statement or any post-effective amendment thereto to be declared effective before the offering of the Shares may commence, the Company will endeavor to cause the Registration Statement or such post-effective amendment to become effective as soon as possible and the Company will advise you promptly and, if requested by you, will confirm such advice in writing, (i) when the Registration Statement and any such post-effective amendment thereto has become effective, and (ii) if Rule 430A under the Act is used, when the Prospectus is filed with the Commission pursuant to Rule 424(b) under the Act (which the Company agrees to file in accordance with such Rule);

(d) to advise you promptly and if requested by you, to confirm such advice in writing, of any request by the Commission for amendments or supplements to the Registration Statement or the Prospectus or for additional information with respect thereto, or of notice of institution of proceedings for, or the entry of a stop order, suspending the effectiveness of the Registration Statement and, if the Commission should enter a stop order suspending the effectiveness of the Registration Statement, to use its best efforts to obtain the lifting or removal of such order as soon as possible; to advise you promptly of any proposal to amend or supplement the Registration Statement or the Prospectus and to provide you and Underwriters' counsel copies of any such documents for review and comment a reasonable amount of time prior to any proposed filing and to file no such amendment or supplement to which you shall reasonably object in writing;

(e) subject to Section 5(d) hereof, to file promptly all reports and any definitive proxy or information statement required to be filed by the Company with the Commission in order to comply with the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Shares; to provide you with a copy of such reports and statements and other documents to be filed by the Company pursuant to Section 13, 14 or 15(d) of the Exchange Act during such period a

reasonable amount of time prior to any proposed filing, and to promptly notify you of such filing;

(f) if necessary or appropriate, to file a registration statement pursuant to Rule 462(b) under the Act;

(g) to advise the Underwriters promptly of the happening of any event known to the Company within the time during which a prospectus relating to the Shares is required to be delivered under the Act that could require the making of any change in the Prospectus then being used so that the Prospectus would not include an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading, and, during such time, subject to Section 5(d) hereof, to prepare and furnish, at the Company's expense, to the Underwriters promptly such amendments or supplements to such Prospectus as may be necessary to reflect any such change;

(h) to make generally available to its security holders, and to deliver to you, an earnings statement of the Company (that will satisfy the provisions of Section 11(a) of the Act) covering a period of twelve months beginning after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act) as soon as is reasonably practicable after the termination of such twelve-month period but in any case not later than the date that is 45 days after the end of the fourth fiscal quarter following the fiscal quarter that includes the effective date of the Registration Statement or, if such fourth fiscal quarter is the last quarter of the Company's fiscal year, the date that is 90 days after the end of such fourth fiscal quarter (the "Availability Date");

(i) to furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a consolidated balance sheet and statements of income, stockholders' equity and cash flow of the Company and the Subsidiaries for such fiscal year, accompanied by a copy of the certificate or report thereon of nationally recognized independent certified public accountants);

(j) to furnish to you five (5) copies of the Registration Statement, as initially filed with the Commission, and of all amendments thereto (including all exhibits thereto) and sufficient copies of the foregoing (other than exhibits) for distribution of a copy to each of the other Underwriters;

(k) to furnish to you promptly and, upon request, to each of the other Underwriters for a period of three years from the date of this Agreement (i) copies of any reports or other communications that the Company shall send to its stockholders or shall from time to time publish or publicly disseminate, (ii) copies of all annual, quarterly and current reports filed with the Commission on Forms 10-K, 10-Q and 8-K, or such other similar forms as may be designated by the Commission, (iii) copies of documents or reports filed with any national securities exchange on which any class of securities of the Company is listed, and (iv) such other information as you may reasonably request regarding the Company or the Subsidiaries, in

the case of clauses (iii) and (iv), only to the extent such documents, reports and other requested information are publicly available;

(l) to furnish to you as early as reasonably practicable prior to the time of purchase and any additional time of purchase, as the case may be, but not later than two business days prior thereto, a copy of the latest available unaudited interim and monthly consolidated financial statements, if any, of the Company and the Subsidiaries that have been read by the Company's independent certified public accountants, as stated in their letter to be furnished pursuant to Section 8(c) hereof;

(m) to apply the net proceeds from the sale of the Shares in the manner set forth under the caption "Use of proceeds" in the Prospectus;

(n) to pay all costs, expenses, fees and taxes in connection with (i) the preparation and filing of the Registration Statement, each Preliminary Prospectus, the Prospectus, and any amendments or supplements thereto, and the printing and furnishing of copies of each thereof to the Underwriters and to dealers (including costs of mailing and shipment), (ii) the registration, issue, sale and delivery of the Shares, including any stock or transfer taxes and stamp or similar duties payable upon the sale, issuance or delivery of the Shares to the Underwriters, (iii) the producing, word processing and/or printing of this Agreement, any Agreement Among Underwriters, any dealer agreements and any closing documents (including compilations thereof) and the reproduction and/or printing and furnishing of copies of each thereof to the Underwriters and (except closing documents) to dealers (including costs of mailing and shipment), (iv) the qualification of the Shares for offering and sale under state or foreign laws and the determination of their eligibility for investment under state or foreign law as aforesaid (including the reasonable legal fees, which shall not exceed $10,000, and filing fees and other disbursements of counsel for the Underwriters incurred in connection with such qualifications and determinations) and the printing and furnishing of copies of any blue sky surveys or legal investment surveys to the Underwriters and to dealers, (v) any listing of the Shares on any securities exchange or qualification of the Shares for quotation on NASDAQ and any registration thereof under the Exchange Act, (vi) any filing for review of the public offering of the Shares by the NASD, including the reasonable legal fees, which shall not exceed $15,000, and filing fees and other disbursements of counsel to the Underwriters incurred in connection with such filing, (vii) the fees and disbursements of any transfer agent or registrar for the Shares, (viii) the costs and expenses of the Company relating to presentations or meetings undertaken in connection with the marketing of the offering and sale of the Shares to prospective investors and the Underwriters' sales forces, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged with the Company's prior consent in connection with the road show presentations, travel, lodging and other expenses incurred by the officers of the Company and any such consultants, and the cost of any aircraft chartered with the Company's prior consent in connection with the road show, (ix) the offer and sale of the Reserved Shares, including all costs and expenses of UBS-FinSvc and the Underwriters, including the fees and disbursements of counsel for the Underwriters, which shall not exceed $40,000, and (x) the performance of the Company's and the Selling Stockholder's other obligations hereunder; provided, however, that

nothing contained herein shall affect any agreement that the Company and the Selling Stockholder may make for the sharing or allocation of such costs and expenses; provided, further, that except as provided in this Section 5(n) and Section 7, the Underwriters will bear all of their own costs and expenses, including, the fees of their counsel and any stock transfer taxes arising from the resale of any Shares by them;

(o) not to sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Common Stock or securities convertible into or exchangeable or exercisable for Common Stock or warrants or other rights to purchase Common Stock or any other securities of the Company that are substantially similar to Common Stock, or file or cause to be declared effective a registration statement under the Act relating to the offer and sale of any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock or other rights to purchase Common Stock or any other securities of the Company that are substantially similar to Common Stock for a period of 180 days after the date hereof (the "Lock-Up Period"), without the prior written consent of UBS and Deutsche Bank, except for (i) the registration of the Shares and the sales to the Underwriters pursuant to this Agreement, (ii) issuances of Common Stock upon the exercise of options or warrants disclosed as outstanding in the Registration Statement and the Prospectus and the filing of one or more registration statements on Form S-8 relating to the issuance of restricted stock and Common Stock upon the exercise of employee stock options, (iii) the issuance of restricted stock and stock options on the date hereof to certain executive officers, employees and directors of the Company as disclosed in the Registration Statement and Prospectus and (iv) the issuance of employee stock options not exercisable during the Lock-Up Period pursuant to stock option plans described in the Registration Statement and the Prospectus; provided, that if either (x) during the period beginning on the date that is 15 calendar days plus 3 business days before the last day of the Lock-Up Period, the Company issues an earnings release or material news or a material event relating to the Company occurs or (y) the Company announces during the Lock-Up Period that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, the Lock-Up Period shall be extended for an additional period of 15 calendar days plus 3 business days after the date on which the earnings release is issued or the material news or material event occurs;

(p) to use its best efforts to cause the Common Stock to be listed for quotation on the National Association of Securities Dealers Automated Quotation National Market System ("NASDAQ");

(q) to maintain a transfer agent and, if necessary under the jurisdiction of incorporation of the Company, a registrar for the Common Stock; and

(r) to ensure that the Reserved Shares will be restricted to the extent required by the NASD and its rules from sale, transfer, assignment, pledge or hypothecation for a period of three months following the date of the effectiveness of the Registration Statement; and to comply with all applicable securities and other applicable laws, rules and regulations in each

jurisdiction in which the Reserved Shares are offered in connection with the Directed Share Program.

6. Certain Covenants of the Selling Stockholder. The Selling Stockholder agrees with each Underwriter as follows:

(a) the Selling Stockholder shall hold all, and shall not convert any, of its shares of the 8% Preferred and shall take all other actions, including, without limitation, executing all documents required, in order to consummate the Redemption within two business days after the time of purchase;

(b) the Selling Stockholder will not (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or file (or participate in the filing of) a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, any shares of Common Stock or securities convertible into or exchangeable for Common Stock or warrants or other rights to purchase Common Stock, or any other securities of the Company that are substantially similar to Common Stock during the Lock-Up Period, without the prior written consent of UBS and Deutsche Bank, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or warrants or other rights to purchase Common Stock, whether any such transaction is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any transaction specified in clause (i) or (ii), in each case except for (A) the registration of the Shares and the sales to the Underwriters pursuant to this Agreement, (B) transfers of shares of Common Stock or any security convertible into Common Stock by bona fide gift or will or intestate succession, provided that each resulting transferee agrees in writing with the Underwriters to be bound by the terms of this Section 6(b), (C) transfers of shares of Common Stock or any security convertible into Common Stock to any trust for the direct or indirect benefit of such Selling Stockholder and/or the immediate family of the Selling Stockholder, provided that such trust agrees in writing with the Underwriters to be bound by the terms of this Section 6(b), (D) the exercise of options under stock option plans in effect on the date hereof, as described in the Registration Statement and the Prospectus, (E) the sale or other disposition of shares of Common Stock or other securities acquired in open market transactions after the date hereof (which transactions for clarification purposes do not include the acquisition of any security from the Company, including through the Directed Share Program), provided that any such sale or other disposition is not required to be disclosed or reported under Section 16(a) of the Securities Act, (F) distribution of shares of Common Stock or any security convertible into Common Stock to members of the Selling Stockholder, provided that each resulting transferee agrees in writing with the Underwriters to be bound by the terms of this Section 6(b), and (G) the consummation of the Redemption; provided, that if either (1) during the period beginning on the date that is 15 calendar days plus 3 business days before the last day of the Lock-Up Period, the Company issued an earnings release or material news or a material event relating to the Company occurs or (2) the Company announces during the Lock-Up Period that it will release earnings results during the 16-day period beginning on the

last day of the Lock-Up Period the Lock-Up Period shall be extended for an additional period of 15 calendar days plus 3 business days after the date on which the earnings release is issued or the material news or material event occurs;

(c) the Selling Stockholder will not during the Lock-Up Period (as may be extended pursuant to Section 6(b) hereof), without the prior written consent of UBS and Deutsche Bank, make any demand for, or exercise any right with respect to, the registration of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or warrants or other rights to purchase Common Stock**;**

(d) the Selling Stockholder will advise the Company and the Underwriters promptly of the happening of any event known to the Selling Stockholder within the time during which a prospectus relating to the Shares is required to be delivered under the Act that could require the making of any change in the Prospectus then being used so that the Prospectus would not include, with respect to such Selling Stockholder, an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading, and, during such time, to prepare and furnish, at the Selling Stockholder's expense, to the Company and the Underwriters promptly such amendments or supplements to such Prospectus as may be necessary to reflect any such change; and

(e) such Selling Stockholder will pay all the fees and disbursements of their counsel, if any, and any applicable stock transfer or other taxes related to the offering of their Shares; provided, however, that the Underwriters will bear any stock transfer taxes arising from the resale of any Shares by them. Notwithstanding the foregoing, nothing herein shall affect any agreement that the Company and the Selling Stockholders may make for the sharing or allocation of such costs and expenses.

7. Reimbursement of Underwriters' Expenses. If the Shares are not delivered for any reason other than the termination of this Agreement pursuant to the fifth paragraph of Section 10 hereof or the default by one or more of the Underwriters in its or their respective obligations hereunder, the Company shall, in addition to paying the amounts described in Section 5(n) hereof, reimburse the Underwriters for all of their out-of-pocket expenses, including the reasonable, documented fees and disbursements of their counsel.

8. Conditions of Underwriters' Obligations. The several obligations of the Underwriters hereunder are subject to the accuracy of the representations and warranties on the part of the Company and the Selling Stockholder on the date hereof, at the time of purchase and, if applicable, at the additional time of purchase, the performance by the Company and the Selling Stockholder of its obligations hereunder and to the following additional conditions precedent:

(a) The Company shall furnish to you at the time of purchase and, if applicable, at the additional time of purchase, an opinion and negative assurance statement of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel for the Company, addressed to the Underwriters, and dated the time of purchase or the additional time of purchase, as the case may be, with

reproduced copies for each of the other Underwriters and in form and substance reasonably satisfactory to Katten Muchin Zavis Rosenman, counsel for the Underwriters, in the form set forth in Exhibit B-1 and Exhibit B-2 hereto, respectively;

(b) The Selling Stockholder shall furnish to you at the time of purchase and at the additional time of purchase, as the case may be, an opinion of Skadden, Arps, Slate, Meagher & Flom, LLP, special counsel for the Selling Stockholder, addressed to the Underwriters, and dated the time of purchase or the additional time of purchase, as the case may be, with reproduced copies for each of the other Underwriters, and in form and substance reasonably satisfactory to Katten Muchin Zavis Rosenman, counsel for the Underwriters, in the form set forth in Exhibit C hereto;

(c) You shall have received from PricewaterhouseCoopers LLP letters dated, respectively, the date of this Agreement, the time of purchase and, if applicable, the additional time of purchase, and addressed to the Underwriters (with reproduced copies for each of the Underwriters) in the forms heretofore approved by UBS and Deutsche Bank.

(d) You shall have received at the time of purchase and, if applicable, at the additional time of purchase, the favorable opinion of Katten Muchin Zavis Rosenman, counsel for the Underwriters, dated the time of purchase or the additional time of purchase, as the case may be, as to the matters referred to in subparagraphs (iv), (v) (with respect to due authorization, valid issuance and fully paid status of Shares only), and the first sentence of subparagraph (vi) (only with respect to the Shares conforming in all material respects as to legal matters to the description thereof contained in the Prospectus) of Exhibit B-1 and Exhibit B-2.

(e) No Prospectus or amendment or supplement to the Registration Statement or the Prospectus shall have been filed to which you reasonably object in writing.

(f) The Registration Statement shall become effective not later than 5:30 P.M. New York City time on the date of this Agreement and, if Rule 430A under the Act is used, the Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act at or before 5:30 P.M., New York City time, on the second full business day after the date of this Agreement.

(g) Prior to the time of purchase, and, if applicable, the additional time of purchase, (i) no stop order with respect to the effectiveness of the Registration Statement shall have been issued under the Act or proceedings initiated under Section 8(d) or 8(e) of the Act; (ii) the Registration Statement and all amendments thereto shall not contain an 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 not misleading; and (iii) the Prospectus and all amendments or supplements thereto shall not contain an 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 the light of the circumstances under which they are made, not misleading.

(h) Between the time of execution of this Agreement and the time of purchase or the additional time of purchase, as the case may be, no material adverse change or any development involving a prospective material adverse change in the business, properties, prospects, management, financial condition or results of operations of the Company and the Subsidiaries taken as a whole shall occur or become known.

(i) The Company will, at the time of purchase and, if applicable, at the additional time of purchase, deliver to you a certificate of its Chief Executive Officer and its Chief Financial Officer in the form attached as Exhibit D hereto.

(j) You shall have received signed Lock-up Agreements referred to in Section 3(u) hereof.

(k) The Company and the Selling Stockholder shall have furnished to you such other documents and certificates as to the accuracy and completeness of any statement in the Registration Statement and the Prospectus as of the time of purchase and, if applicable, the additional time of purchase, as you may reasonably request.

(l) The Shares shall have been approved for quotation on NASDAQ, subject only to notice of issuance at or prior to the time of purchase or the additional time of purchase, as the case may be.

(m) The Selling Stockholder will, at the time of purchase and, if applicable, at the additional time of purchase deliver to you a certificate of the Selling Stockholder in the form attached as Exhibit E hereto.

9. Effective Date of Agreement; Termination. This Agreement shall become effective (i) if Rule 430A under the Act is not used, when you shall have received notification of the effectiveness of the Registration Statement, or (ii) if Rule 430A under the Act is used, when the parties hereto have executed and delivered this Agreement.

The obligations of the several Underwriters hereunder shall be subject to termination in the absolute discretion of UBS and Deutsche Bank or any group of Underwriters (which may include UBS and Deutsche Bank) that has agreed to purchase in the aggregate at least 50% of the Firm Shares, if (x) since the time of execution of this Agreement or the earlier respective dates as of which information is given in the Registration Statement and the Prospectus, there has been any material adverse change or any development involving a prospective material adverse change in the business, properties, management, financial condition or results of operations of the Company and the Subsidiaries taken as a whole that would, in the judgment of UBS and Deutsche Bank or in the judgment of such group of Underwriters, make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the Registration Statement and the Prospectus, or (y) since the time of execution of this Agreement, there shall have occurred: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange, the American Stock Exchange or NASDAQ; (ii) a suspension or material limitation in trading in the Company's

securities on NASDAQ; (iii) a general moratorium on commercial banking activities declared by either federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; or (iv) an outbreak or escalation of hostilities or acts of terrorism involving the United States or a declaration by the United States of a national emergency or war or any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if any such event specified in clause (iv) in the judgment of UBS and Deutsche Bank or in the judgment of such group of Underwriters makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the Registration Statement and the Prospectus, or (z) since the time of execution of this Agreement, there shall have occurred any downgrading, or any notice or announcement shall have been given or made of (i) any intended or potential downgrading or (ii) any watch, review or possible change that does not indicate an affirmation or improvement, in the rating accorded any securities of or guaranteed by the Company or any Subsidiary by any "nationally recognized statistical rating organization," as that term is defined in Rule 436(g)(2) under the Act.

If UBS and Deutsche Bank or any group of Underwriters elects to terminate this Agreement as provided in this Section 9, the Company, the Selling Stockholder and each other Underwriter shall be notified promptly in writing.

If the sale to the Underwriters of the Shares, as contemplated by this Agreement, is not carried out by the Underwriters for any reason permitted under this Agreement or if such sale is not carried out because the Company or the Selling Stockholder, as the case may be, shall be unable to comply with any of the terms of this Agreement, the Company or the Selling Stockholder, as the case may be, shall not be under any obligation or liability under this Agreement (except to the extent provided in Sections 5(n), 7 and 11 hereof), and the Underwriters shall be under no obligation or liability to the Company and the Selling Stockholder under this Agreement (except to the extent provided in Section 11 hereof) or to one another hereunder.

10. Increase in Underwriters' Commitments. Subject to Sections 8 and 9 hereof, if any Underwriter shall default in its obligation to take up and pay for the Firm Shares to be purchased by it hereunder (otherwise than for a failure of a condition set forth in Section 8 hereof or a reason sufficient to justify the termination of this Agreement under the provisions of Section 9 hereof) and if the number of Firm Shares that all Underwriters so defaulting shall have agreed but failed to take up and pay for does not exceed 10% of the total number of Firm Shares, the non-defaulting Underwriters shall take up and pay for (in addition to the aggregate number of Firm Shares they are obligated to purchase pursuant to Section 1 hereof) the number of Firm Shares agreed to be purchased by all such defaulting Underwriters, as hereinafter provided. Such Shares shall be taken up and paid for by such non-defaulting Underwriters in such amount or amounts as you may designate with the consent of each Underwriter so designated or, in the event no such designation is made, such Shares shall be taken up and paid for by all non-defaulting Underwriters pro rata in proportion to the aggregate number of Firm Shares set opposite the names of such non-defaulting Underwriters in Schedule A hereto.

Without relieving any defaulting Underwriter from its obligations hereunder, each of the Company and the Selling Stockholder agrees with the non-defaulting Underwriters that it will not sell any Firm Shares hereunder unless all of the Firm Shares are purchased by the Underwriters (or by

substituted Underwriters selected by you with the approval of the Company or selected by the Company with your approval).

If a new Underwriter or Underwriters are substituted by the Underwriters or by the Company for a defaulting Underwriter or Underwriters in accordance with the foregoing provision, the Company or you shall have the right to postpone the time of purchase for a period not exceeding five business days in order that any necessary changes in the Registration Statement and the Prospectus and other documents may be effected.

The term Underwriter as used in this Agreement shall refer to and include any Underwriter substituted under this Section 10 with like effect as if such substituted Underwriter had originally been named in Schedule A.

If the aggregate number of Firm Shares that the defaulting Underwriter or Underwriters agreed to purchase exceeds 10% of the total number of Firm Shares that all Underwriters agreed to purchase hereunder, and if neither the non-defaulting Underwriters nor the Company shall make arrangements within the five business day period stated above for the purchase of all the Firm Shares that the defaulting Underwriter or Underwriters agreed to purchase hereunder, this Agreement shall terminate without further act or deed and without any liability on the part of the Company to any defaulting or non-defaulting Underwriter and without any liability on the part of any non-defaulting Underwriter to the Company. Nothing in this paragraph, and no action taken hereunder, shall relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

11. Indemnity and Contribution.

(a) The Company agrees to indemnify, defend and hold harmless each Underwriter, its partners, directors and officers, and any person who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, any such Underwriter or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof by the Company) or in a Prospectus (the term Prospectus for the purpose of this Section 11 being deemed to include any Preliminary Prospectus, the Prospectus and the Prospectus as amended or supplemented by the Company), or arises out of or is based upon any omission or alleged omission to state a material fact required to be stated in either such Registration Statement or such Prospectus or necessary to make the statements made therein not misleading, except insofar as any such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in and in conformity with information concerning such Underwriter furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in such Registration Statement or such Prospectus or arises out of or is based upon any omission or alleged omission to state a material fact in connection with such information required to be stated in such

Registration Statement or such Prospectus or necessary to make such information not misleading**;** provided, however that the indemnity contained in this Section 11(a) with respect to any Preliminary Prospectus, as amended or supplemented if applicable, shall not inure to the benefit of any Underwriter (or to the benefit of any person controlling such Underwriter) from whom the person asserting any such loss, damage, expense, liability or claim purchased the Shares that are the subject thereof, if the Prospectus corrected any such alleged untrue statement or omission and if such Underwriter failed to send or give a copy of the Prospectus to such person at or prior to the written confirmation of the sale of such Shares to such person, unless the failure to send or give a copy of the Prospectus to such person is the result of non-compliance by the Company with Section 5(b) hereof; or (ii) the Directed Share Program, provided that the Company shall not be responsible under this clause (ii) for any loss, damage, expense, liability or claim that is finally judicially determined to have resulted from the gross negligence or willful misconduct of the Underwriters in conducting the Directed Share Program.

The Selling Stockholder agrees to indemnify, defend and hold harmless each Underwriter, its partners, directors and officers, and any person who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, any such Underwriter or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact relating to the Selling Stockholder or its members contained in the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof by the Company) or in a Prospectus, or arises out of or is based upon any omission or alleged omission to state a material fact relating to the Selling Stockholder or its members required to be stated in either such Registration Statement or such Prospectus or necessary to make the statements made therein not misleading; provided, that the Selling Stockholder shall not be responsible pursuant to this indemnity for losses, expenses, liability or claims for an amount in excess of the gross proceeds to be received by the Selling Stockholder (before deducting expenses) from its sale of Shares hereunder.

If any action, suit or proceeding (each, a "Proceeding") is brought against an Underwriter or any such person in respect of which indemnity may be sought against the Company or the Selling Stockholder pursuant to the foregoing paragraphs, such Underwriter or such person shall promptly notify the Company and the Selling Stockholder in writing of the institution of such Proceeding and the Company or the Selling Stockholder, as the case may be, shall assume the defense of such Proceeding, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses of such counsel; provided, however, that the omission to so notify the Company or the Selling Stockholder shall not relieve the Company or the Selling Stockholder from any liability that the Company or the Selling Stockholder may have to any Underwriter or any such person or otherwise, except to the extent no executive officer or director of the Company or executive officer of the Selling Stockholder shall have otherwise had actual knowledge of such Proceeding (provided that knowledge on the part of the executive officers or directors of the Company will not be imputed to executive officers of the

Selling Stockholder and vice versa) and such omission results in (i) the forfeiture by the Company or the Selling Stockholder of substantial rights and defenses or (ii) actual material prejudice to the Company or the Selling Stockholder, as the case may be. Such Underwriter or such 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 Underwriter or of such person unless the employment of such counsel shall have been authorized in writing by the Company or the Selling Stockholder in connection with the defense of such Proceeding or the Company or the Selling Stockholder shall not have, within a reasonable period of time in light of the circumstances, employed counsel to have charge of the defense of such Proceeding or such indemnified party or parties shall have reasonably concluded, upon advice of counsel, that there may be defenses available to it or them that are different from, additional to or in conflict with those available to the Company or the Selling Stockholder (in which case the Company or the Selling Stockholder shall not have the right to direct the defense of such Proceeding on behalf of the indemnified party or parties), in any of which events such fees and expenses shall be borne by the Company or the Selling Stockholder and paid as incurred (it being understood, however, that the Company or the Selling Stockholder shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel) in any one Proceeding or series of related Proceedings in the same jurisdiction representing the indemnified parties who are parties to such Proceeding). The Company or the Selling Stockholder shall not be liable for any settlement of any Proceeding effected without its written consent but if settled with the written consent of the Company or the Selling Stockholder, the Company or the Selling Stockholder agrees to indemnify and hold harmless any Underwriter and any such person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second sentence of this paragraph, then the indemnifying party agrees that it shall be liable for any settlement of any Proceeding effected without its written consent if (i) such settlement is entered into more than 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request for reimbursement of fees and expenses of counsel in accordance with this Agreement prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days' prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened Proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such Proceeding and does not include an admission of fault, culpability or a failure to act, by or on behalf of such indemnified party.

The Company agrees to indemnify, defend and hold harmless UBS-FinSvc and its partners, directors and officers, and any person who controls UBS-FinSvc within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, UBS-FinSvc or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim (i) arises out of or is based upon (a) any of the matters

referred to in clauses (i) through (iii) of the first paragraph of this Section 11(a), or (b) any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Directed Share Participants in connection with the Directed Share Program or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) caused by the failure of any Directed Share Participant to pay for and accept delivery of Reserved Shares that the Directed Share Participant has agreed to purchase; or (iii) otherwise arises out of or is based upon the Directed Share Program, provided that the Company shall not be responsible under this clause (iii) for any loss, damage, expense, liability or claim that is finally judicially determined to have resulted from the gross negligence or willful misconduct of UBS-FinSvc in conducting the Directed Share Program. The immediately preceding paragraph of this Section 11(a) shall apply equally to any Proceeding brought against UBS-FinSvc or any such person in respect of which indemnity may be sought against the Company pursuant to the foregoing sentence; except that the Company shall be liable for the expenses of one separate counsel (in addition to any local counsel) for UBS-FinSvc and any such person, separate and in addition to counsel for the Underwriters, in any such Proceeding.

(b) Each Underwriter severally agrees to indemnify, defend and hold harmless the Company, its directors and officers, the Selling Stockholder, its directors, officers and members and any person who controls the Company or the Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, the Company, the Selling Stockholder or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in and in conformity with information concerning such Underwriter furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof by the Company) or in a Prospectus as described in Section 12, or arises out of or is based upon any omission or alleged omission to state a material fact in connection with such information required to be stated in such Registration Statement or such Prospectus or necessary to make such information not misleading.

If any Proceeding is brought against the Company, the Selling Stockholder or any such person in respect of which indemnity may be sought against any Underwriter pursuant to the foregoing paragraph, the Company, the Selling Stockholder or such person shall promptly notify such Underwriter in writing of the institution of such Proceeding and such Underwriter shall assume the defense of such Proceeding, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses of such counsel; provided, however, that the omission to so notify such Underwriter shall not relieve such Underwriter from any liability that such Underwriter may have to the Company, the Selling Stockholder or any such person or otherwise, except to the extent such Underwriter shall not have otherwise had actual knowledge of the proceeding and such omission results in (i) the forfeiture by such Underwriter of substantial rights and defenses or (ii) actual material prejudice to the Underwriter. The Company, the Selling Stockholder or such person shall have the right to

employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the Company, the Selling Stockholder or such person unless the employment of such counsel shall have been authorized in writing by such Underwriter in connection with the defense of such Proceeding or such Underwriter shall not have, within a reasonable period of time in light of the circumstances, employed counsel to defend such Proceeding or such indemnified party or the parties shall have reasonably concluded, upon advice of counsel, that there may be defenses available to it or them that are different from or additional to or in conflict with those available to such Underwriter (in which case such Underwriter shall not have the right to direct the defense of such Proceeding on behalf of the indemnified party or parties, but such Underwriter may employ counsel and participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such Underwriter), in any of which events such fees and expenses shall be borne by such Underwriter and paid as incurred (it being understood, however, that such Underwriter shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel) in any one Proceeding or series of related Proceedings in the same jurisdiction representing the indemnified parties who are parties to such Proceeding). No Underwriter shall be liable for any settlement of any such Proceeding effected without the written consent of such Underwriter but if settled with the written consent of such Underwriter, such Underwriter agrees to indemnify and hold harmless the Company, the Selling Stockholder and any such person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second sentence of this paragraph, then the indemnifying party agrees that it shall be liable for any settlement of any Proceeding effected without its written consent if (i) such settlement is entered into more than 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request for reimbursement of fees and expenses of counsel in accordance with this Agreement prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days' prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened Proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such Proceeding.

(c) The Company agrees to indemnify, defend and hold harmless the Selling Stockholder, its directors, officers and members, and any person who controls the Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, the Selling Stockholder or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof by the Company) or in a Prospectus, or arises out of or is based upon any omission or alleged omission to state a material fact required to be stated in either such Registration Statement or such Prospectus or necessary to make the statements made

therein not misleading, except insofar as any such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact relating to the Selling Stockholder or its members or arises out of or is based upon any omission or alleged omission to state a material fact relating to the Selling Stockholder or its members required to be stated in either such Registration Statement or such Prospectus or necessary to make such information not misleading;

The Selling Stockholder agrees to indemnify, defend and hold harmless the Company, its directors and officers, and any person who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, the Company or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact relating to the Selling Stockholder or its members contained in the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof by the Company) or in a Prospectus, or arises out of or is based upon any omission or alleged omission to state a material fact relating to the Selling Stockholder or its members required to be stated in either such Registration Statement or such Prospectus or necessary to make the statements made therein not misleading; provided, that the Selling Stockholder shall not be responsible for losses, expenses, liability or claims for an amount in excess of the gross proceeds to be received by the Selling Stockholder (before deducting expenses) from its sale of Shares hereunder.

If any Proceeding is brought against the Company, the Selling Stockholder or any such person in respect of which indemnity may be sought against the Company or the Selling Stockholder, as the case may be, pursuant to the foregoing paragraphs, the Company, the Selling Stockholder or such person seeking to be indemnified shall promptly notify the Company or the Selling Stockholder, as the case may be, in writing of the institution of such Proceeding and the Company or the Selling Stockholder, as the case may be, shall assume the defense of such Proceeding, including the employment of counsel reasonably satisfactory to the Company, the Selling Stockholder or such other person seeking to be indemnified, as the case may be, and payment of all reasonable fees and expenses of such counsel; provided, however, that the omission to so notify the indemnifying party shall not relieve such indemnifying party from any liability that such indemnifying party may have to the indemnified party, except to the extent that no executive officer or director of such indemnifying party shall have otherwise had actual knowledge of such proceeding and such omission results in (i) the forfeiture by such indemnifying party of substantial rights and defenses or (ii) actual material prejudice to the indemnified party. The Company, the Selling Stockholder or such person seeking to be indemnified, as the case may be, shall have the right to employ its 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 Proceeding or such indemnifying party shall not have, within a reasonable period of time in light of the circumstances, employed counsel to defend such Proceeding or the indemnified party or parties shall have reasonably concluded upon advice of counsel that there may be defenses available to it or them that are different from or

additional to or in conflict with those available to the indemnifying party (in which case such indemnifying party shall not have the right to direct the defense of such Proceeding on behalf of the indemnified party, but such indemnifying party may employ counsel and participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such indemnifying party), in any of which events such fees and expenses shall be borne by such indemnifying party and paid as incurred (it being understood, however, that such indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel) in any one Proceeding or series of related Proceedings in the same jurisdiction representing the indemnified parties who are parties to such Proceeding). No indemnifying party shall be liable for any settlement of any such Proceeding effected without the written consent of the indemnifying party but if settled with the written consent of the indemnifying party, the indemnifying party agrees to indemnify and hold harmless the indemnified party from and against any loss or liability by reason of such settlement. Notwithstanding anything to the contrary contained herein, no indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened Proceeding in respect of which the indemnified party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

(d) (i) If the indemnification provided for in this Section 11 is unavailable to an indemnified party under subsections (a) or (b) of this Section 11 or insufficient to hold an indemnified party harmless in respect of any losses, damages, expenses, liabilities or claims referred to therein, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, damages, expenses, liabilities or claims (A) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholder on the one hand and the Underwriters on the other hand from the offering of the Shares or (B) if the allocation provided by clause (A) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (A) above but also the relative fault of the Company and the Selling Stockholder on the one hand and of the Underwriters on the other in connection with the statements or omissions that resulted in such losses, damages, expenses, liabilities or claims, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholder on the one hand and the Underwriters on the other shall be deemed to be in the same respective proportions as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Stockholder and the total underwriting discounts and commissions received by the Underwriters, bear to the aggregate public offering price of the Shares. The relative fault of the Company and the Selling Stockholder on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Company and/or the Selling Stockholder or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, damages, expenses, liabilities and claims referred to in this subsection shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating, preparing to defend or defending any Proceeding.

(ii) If the indemnification provided for in this Section 11 is unavailable to an indemnified party under subsection (c) of this Section 11 or insufficient to hold an indemnified party harmless in respect of any losses, damages, expenses, liabilities or claims referred to therein, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, damages, expenses, liabilities or claims (A) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and by the Selling Stockholder on the other hand from the offering of the Shares or (B) if the allocation provided by clause (A) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (A) above but also the relative fault of the Company on the one hand and of the Selling Stockholder on the other in connection with the statements or omissions that resulted in such losses, damages, expenses, liabilities or claims, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and by the Selling Stockholder on the other shall be deemed to be in the same respective proportions as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and by the Selling Stockholder, bear to the aggregate public offering price of the Shares. The relative fault of the Company on the one hand and of the Selling Stockholder on the other shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Company or by the Selling Stockholder and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, damages, expenses, liabilities and claims referred to in this subsection shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating, preparing to defend or defending any Proceeding.

(e) The Company, the Selling Stockholder and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 11 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 in subsection (d) above. Notwithstanding the provisions of this Section 11, (i) 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 such Underwriter and distributed to the public were offered to the public exceeds the amount of any damage which such Underwriter has otherwise been required to pay by reason of such untrue statement or alleged untrue statement or omission or alleged omission and (ii) the Selling Stockholder shall not be required to contribute any amount in excess of the gross proceeds (before deducting expenses) applicable to the Shares sold by the Selling Stockholder hereunder. 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 to contribute pursuant to this Section 11 are several in proportion to their respective underwriting commitments and not joint.

(f) The indemnity and contribution agreements contained in this Section 11 and the covenants, warranties and representations of the Company and the Selling Stockholder

contained in this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of any Underwriter, its partners, directors or officers or any person (including each partner, officer or director of such person) who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, or by or on behalf of the Company, its directors or officers, the Selling Stockholder or any person who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and shall survive any termination of this Agreement or the issuance and delivery of the Shares. The Company, the Selling Stockholder and each Underwriter agree promptly to notify each other of the commencement of any Proceeding against it and, in the case of the Company or the Selling Stockholder, against any of the Company's or Selling Stockholder's officers, directors, members, managers or partners, as the case may be, in connection with the issuance and sale of the Shares, or in connection with the Registration Statement or the Prospectus.

12. Information Furnished by the Underwriters. The statements set forth in the last paragraph on the cover page of the Prospectus and the statements in the Prospectus under the heading "Underwriting" that are (i) in the two paragraphs immediately preceding the sub-heading "Over-Allotment Option," (ii) in the first paragraph immediately under the sub-heading "Commissions and Discounts" and (iii) in the paragraphs under the sub-heading "Price Stabilization, Short Positions" constitute the only information furnished by or on behalf of the Underwriters as such information is referred to in Sections 3 and 11 hereof.

13. Notices. Except as otherwise herein provided, all statements, requests, notices and agreements shall be in writing or by telegram and, if to the Underwriters, shall be sufficient in all respects if delivered or sent to UBS Securities LLC, 299 Park Avenue, New York, New York 10171-0026, Attention: Syndicate Department and Deutsche Bank Securities Inc., 60 Wall Street, 3rd Floor, New York, New York 10005, Attention: Syndicate Desk, with a copy to the same address, Attention: General Counsel; if to the Company, shall be sufficient in all respects if delivered or sent to the Company at the offices of the Company at 550 West Van Buren Street, Chicago, Illinois 60607, Attention: Gary L. Burge, with a copy to the same address, Attention: General Counsel; and if to the Selling Stockholder, shall be sufficient in all respects if delivered or sent to the Selling Stockholder c/o Lake Capital, 676 North Michigan Avenue, Chicago, Illinois 60611, Attention: Edward Kovas, with a copy to the same address, Attention: Paul Yovovich.

14. Survivability. The parties agree that the representations and warranties of the Selling Stockholder contained in (A) Section 4(d)(ii), including in each case any rights arising out of any breach of such representations and warranties, shall not survive the time of purchase, and (B) paragraph 2 with respect to certifying Section 4(d)(ii) and paragraph 3 of the Selling Stockholder's certificate (in substantially the form attached hereto as Exhibit E) as delivered pursuant to the terms of this Agreement, including in each case any rights arising out of any breach of such representations and warranties, shall not survive the time of purchase or the additional time of purchase, as applicable. This Section 14 shall not apply to fraud by the Selling Stockholder.

15. Governing Law; Construction. This Agreement and any claim, counterclaim or dispute of any kind or nature whatsoever arising out of or in any way relating to this Agreement ("Claim"), directly or indirectly, shall be governed by, and construed in accordance with, the laws of the

State of New York. The section headings in this Agreement have been inserted as a matter of convenience of reference and are not a part of this Agreement.

16. Submission to Jurisdiction. Except as set forth below, no Claim may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and the Company consents to the jurisdiction of such courts and personal service with respect thereto. The Company and the Selling Stockholder hereby consent to personal jurisdiction, service and venue in any court in which any Claim arising out of or in any way relating to this Agreement is brought by any third party against UBS, Deutsche Bank or any indemnified party. Each of UBS, Deutsche Bank, the Selling Stockholder and the Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) waives all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. The Company and the Selling Stockholder agree that a final judgment in any such action, proceeding or counterclaim brought in any such court shall be conclusive and binding upon the Company and may be enforced in any other courts to the jurisdiction of which the Company is or may be subject, by suit upon such judgment.

17. Parties at Interest. The Agreement herein set forth has been and is made solely for the benefit of the Underwriters, the Selling Stockholder and the Company and to the extent provided in Section 11 hereof the controlling persons, partners, directors and officers referred to in such section, and their respective successors, assigns, heirs, personal representatives and executors and administrators. No other person, partnership, association or corporation (including a purchaser, as such purchaser, from any of the Underwriters) shall acquire or have any right under or by virtue of this Agreement.

18. Counterparts. This Agreement may be signed by the parties in one or more counterparts which together shall constitute one and the same agreement among the parties.

19. Successors and Assigns. This Agreement shall be binding upon the Underwriters, the Selling Stockholder and the Company and their successors and assigns and any successor or assign of any substantial portion of the Company's, the Selling Stockholder's and any of the Underwriters' respective businesses and/or assets.

20. Miscellaneous. UBS, an indirect, wholly owned subsidiary of UBS AG, is not a bank and is separate from any affiliated bank, including any U.S. branch or agency of UBS AG. Because UBS is a separately incorporated entity, it is solely responsible for its own contractual obligations and commitments, including obligations with respect to sales and purchases of securities. Securities sold, offered or recommended by UBS are not deposits, are not insured by the Federal Deposit Insurance Corporation, are not guaranteed by a branch or agency, and are not otherwise an obligation or responsibility of a branch or agency.

If the foregoing correctly sets forth the understanding among the Company, the Selling Stockholder and the Underwriters, please so indicate in the space provided below for the purpose, whereupon this agreement and your acceptance shall constitute a binding agreement among the Company and the Underwriters, severally.

Very truly yours,

HURON CONSULTING GROUP INC.

By: _____
Title: Chief Executive Officer and President

HCG HOLDINGS LLC

By: _____
Title:

Accepted and agreed to as of the
date first above written, on
behalf of themselves
and the other several Underwriters
named in Schedule A

UBS SECURITIES LLC
DEUTSCHE BANK SECURITIES INC.
WILLIAM BLAIR & COMPANY, L.L.C.

By: UBS SECURITIES LLC

By: _____
Title:

By: _____
Title:

By: DEUTSCHE BANK SECURITIES, INC.

By: _____
Title:

By: _____
Title:

SCHEDULE A

Underwriter	Number of Firm Shares
UBS SECURITIES LLC	
DEUTSCHE BANK SECURITIES INC.	
WILLIAM BLAIR & COMPANY, L.L.C.	
Total	

Exhibit A

Huron Consulting Group Inc

Common Stock

($0.01 Par Value)

_____, 2004

UBS Securities LLC
Deutsche Bank Securities Inc.
William Blair & Company, L.L.C.
As Representatives of the several Underwriters

c/o UBS Securities LLC
299 Park Avenue
New York, New York 10171

Ladies and Gentlemen:

This Lock-Up Letter Agreement is being delivered to you in connection with the proposed Underwriting Agreement (the "Underwriting Agreement") to be entered into by Huron Consulting Group Inc. (the "Company"), the stockholder(s) of the Company named therein and you, as Representatives of the several Underwriters named therein, with respect to the public offering (the "Offering") of Common Stock, par value $.01 per share, of the Company (the "Common Stock").

In order to induce you to enter into the Underwriting Agreement, the undersigned agrees that for a period of 180 days after the date of the final prospectus relating to the Offering, the undersigned will not, without the prior written consent of UBS Securities LLC ("UBS") and Deutsche Bank Securities Inc. ("Deutsche Bank"), (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or file (or participate in the filing of) a registration statement with the Securities and Exchange Commission (the "Commission") in respect of (except in the undersigned's capacity as an officer or director of the Company with respect to the filing of a Registration Statement on Form S-8 relating to employee benefit plans of the Company), or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations of the Commission promulgated thereunder with respect to, any Common Stock of the Company or any securities convertible into or exercisable or exchangeable for Common Stock, or warrants or other rights to purchase Common Stock, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or warrants or other rights to purchase Common Stock, whether any such transaction is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any transaction specified in clause (i) or (ii). The foregoing sentence shall not apply to (a) the registration of or sale to the Underwriters of any

Common Stock pursuant to the Offering and the Underwriting Agreement, (b) transfers of shares of Common Stock or any security convertible into Common Stock by bona fide gift or will or intestate succession, provided that each resulting transferee agrees in writing with the Underwriters to be bound by the terms of this Lock-Up Letter Agreement, (c) transfers of shares of Common Stock or any security convertible into Common Stock to any trust for the direct or indirect benefit of the undersigned and/or the immediate family of the undersigned, provided that such trust agrees in writing with the Underwriters to be bound by the terms of this Lock-Up Letter Agreement, (d) the exercise of options under stock option plans in effect on the date hereof, as described in the Registration Statement and the Prospectus, (e) the sale or other disposition of shares of Common Stock or other securities acquired in open market transactions after the pricing of the offering (which transactions for clarification purposes do not include the acquisition of any securities from the Company, including through the Directed Share Program), provided that any such sale or other disposition is not required to be disclosed or reported under Section 16(a) of the Act or (f) distributions of shares of Common Stock or any security convertible into Common Stock to partners, members or stockholders of the undersigned, if the undersigned is a partnership, limited liability company or corporation, provided that each resulting transferee agrees in writing with the Underwriters to be bound by the terms of this Lock-Up Letter Agreement.

In addition, the undersigned hereby waives any rights the undersigned may have to require registration of Common Stock in connection with the filing of a registration statement relating to the Offering. The undersigned further agrees that, for a period of 180 days after the date of the final prospectus relating to the Offering, the undersigned will not, without the prior written consent of UBS and Deutsche Bank, make any demand for, or exercise any right with respect to, the registration of Common Stock of the Company or any securities convertible into or exercisable or exchangeable for Common Stock, or warrants or other rights to purchase Common Stock.

If (i) during the period that begins on the date that is 15 calendar days plus 3 business days before the last day of the 180-day restricted period and ends on the last day of the 180-day restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or (ii) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the 180-day restricted period, the restrictions imposed by this Lock-Up Letter Agreement shall continue to apply until the expiration of the date that is 15 calendar days plus 3 business days after the date on which the issuance of the earnings release or material news or the material event occurs.

If (i) the Company notifies you in writing that it does not intend to proceed with the Offering, (ii) the registration statement filed with the Commission with respect to the Offering is withdrawn, (iii) for any reason the Underwriting Agreement shall be terminated prior to the time of purchase (as defined in the Underwriting Agreement) or (iv) the Offering is not consummated prior to December 31, 2004, this Lock-Up Letter Agreement shall be terminated and the undersigned shall be released from its obligations hereunder.

[Signature page follows.]

Yours very truly,

Name:

Exhibit B-1

Form of Opinion of Skadden, Arps, Slate, Meagher & Flom LLP,
special counsel for the Company

Exhibit B-2

Form of Negative Assurance Statement of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel for the Company

Exhibit C

**Form of Opinion of Skadden, Arps, Slate, Meagher & Flom LLP,
special counsel for the Selling Stockholder**

Exhibit D

Officers' Certificate

1. I have reviewed the Registration Statement and the Prospectus.

2. The representations and warranties of the Company as set forth in this Agreement are true and correct as of the time of purchase and, if applicable, the additional time of purchase.

3. The Company has performed all of its obligations under this Agreement as are to be performed at or before the time of purchase and at or before the additional time of purchase, as the case may be.

4. The conditions set forth in paragraphs (f) and (g) of Section 8 of this Agreement have been met.

5. The financial statements and other financial information included in the Registration Statement and the Prospectus fairly present in all material respects the financial condition, results of operations, and cash flows of the Company as of, and for, the periods presented in the Registration Statement.

Exhibit E

Selling Stockholder's Certificate

1. I have reviewed the Registration Statement and the Prospectus.

2. The representations and warranties of the Selling Stockholder as set forth in this Agreement are true and correct as of the time of purchase and, if applicable, the additional time of purchase.

3. To the Selling Stockholder's knowledge, the Prospectus, as amended or supplemented, if applicable, did not, as of its date, and does not, as of the time of purchase and, if applicable, the additional time of purchase, contain an 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; provided, however, that the Selling Stockholder makes no representation with respect to any statement contained in, or omission from, the Prospectus based upon and in conformity with information concerning an Underwriter and furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in the Prospectus, it being understood and agreed that the only such information is that described in Section 12 of this Agreement.

4. The Selling Stockholder has performed all of its obligations under this Agreement as are to be performed at or before the time of purchase and at or before the additional time of purchase, as the case may be.

The representations and warranties contained in paragraph 2 above with respect to certifying Section 4(d)(ii) of this Agreement and paragraph 3 above, including in each case any rights arising out of any breach of such representations and warranties, shall not survive the time of purchase and, if applicable, the additional time of purchase, except in the case of fraud on the part of the Selling Stockholder.

Exhibit 3.1

THIRD AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
HURON CONSULTING GROUP INC.

Pursuant to Sections 228, 242 and 245 of the
Delaware General Corporation Law

Huron Consulting Group Inc. (the "**Corporation**"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "**GCL**"), does hereby certify as follows:

(1) The name of the Corporation is Huron Consulting Group Inc. The original certificate of incorporation of the Corporation was filed with the office of the Secretary of State of the State of Delaware on March 19, 2002 under the name SSCG, Inc.

(2) This Third Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation and by the stockholders of the Corporation in accordance with Sections 228, 242 and 245 of the GCL.

(3) This Third Amended and Restated Certificate of Incorporation restates and integrates and further amends the Amended and Restated Certificate of Incorporation of the Corporation, as heretofore amended, supplemented or corrected.

(4) Upon the filing (the "**Effective Time**") of this Third Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware pursuant to the GCL, each 2.3 shares of the Corporation's Class A Voting Common Stock, par value $.01 per share, issued and outstanding immediately prior to the Effective Time shall automatically be reclassified into one fully paid and nonassessable share of Class A Voting Common Stock, par value $.01 per share, without any action on the part of the holder thereof. Each certificate representing a share or shares of the Corporation's Class A Voting Common Stock, par value $.01 per share, theretofore issued and outstanding shall thereafter represent that number of shares of Class A Voting Common Stock, par value $.01 per share, into which the share or shares of Class A Voting Common Stock, par value $.01 per share, represented by such certificate shall have been reclassified. Each stockholder who would otherwise receive a fractional share of Class A Voting Common Stock, par value $.01 per share, as a result of the reclassification shall have such fractional share rounded up to a full share.

(5) At the Effective Time, each 2.3 shares of the Corporation's Class B Non-Voting Common Stock, par value $.01 per share, issued and outstanding immediately prior to the Effective Time shall automatically be reclassified into one fully paid and nonassessable share of Class B Non-Voting Common Stock, par value $.01 per

share, without any action on the part of the holder thereof. Each certificate representing a share or shares of the Corporation's Class B Non-Voting Common Stock, par value $.01 per share, theretofore issued and outstanding shall thereafter represent that number of shares of Class B Non-Voting Common Stock, par value $.01 per share, into which the share or shares of Class B Non-Voting Common Stock, par value $.01 per share, represented by such certificate shall have been reclassified. Each stockholder who would otherwise receive a fractional share of Class B Non-Voting Common Stock, par value $.01 per share, as a result of the reclassification shall have such fractional share rounded up to a full share.

(6) The text of the Amended and Restated Certificate of Incorporation is amended and restated in its entirety as follows:

ARTICLE I
Name

The name of the Corporation is Huron Consulting Group Inc. (the "**Corporation**").

ARTICLE II
Registered Office and Registered Agent

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle. The name of its registered agent is The Corporation Trust Company.

ARTICLE III
Purpose

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the GCL as set forth in Title 8 of the General Corporation Law of the State of Delaware (the "**GCL**").

ARTICLE IV
Stock Issuance

Part A. Authorized Shares

The amount of the total authorized capital stock of the Corporation is 556,499,215 shares, consisting of:

(a) 50,000,000 shares of preferred stock, par value $0.01 per share (the "**Preferred Stock**");

(b) 500,000,000 shares of Class A Voting Common Stock, par value $.01 per share (the "**Class A Common Stock**");

(c) 6,486,715 shares of Class B Non-Voting Common Stock, par value $.01 per share (the "**Class B Common Stock**" and together with the Class A Common Stock, the "**Common Stock**"); and

(d) 12,500 shares of 8% Preferred Stock, par value $0.01 per share (the "**8% Preferred Stock**").

The preferences, qualifications, limitations, restrictions and special or relative rights of shares of each class of authorized capital stock are set forth below.

Part B. Preferred Stock

The Board of Directors of the Corporation (the "**Board**") is hereby expressly authorized to provide for the issuance of all or any shares of the Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such distinctive designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board providing for the issuance of such class or series and as may be permitted by the GCL, including, without limitation, the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, of the Corporation at such price or prices or at such rates of exchange and with such adjustments; all as may be stated in such resolution or resolutions.

Part C. Common Stock

Except as otherwise provided in this Third Amended and Restated Certificate of Incorporation or as otherwise required by applicable law, all shares of Class A Common Stock and Class B Common Stock shall be identical in all respects and shall entitle holders thereof to the same rights and privileges, subject to the same qualifications, limitations and restrictions.

Section 1. Voting. Except as otherwise required by statute or specifically provided in this Third Amended and Restated Certificate of Incorporation, the holders of any outstanding shares of Class A Common Stock shall have the sole right and power to vote on all matters on which a vote of stockholders is to be taken. The Corporation, by action of the Board and the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote irrespective of the provisions of Section 242(b)(2) of the GCL, may increase or decrease the number of authorized shares of Class B Common Stock (but not below the number of shares of Class B Common Stock then outstanding).

Except as otherwise required by statute or specifically provided in this Third Amended and Restated Certificate of Incorporation, at every meeting of the stockholders:

(a) each holder of shares of Class A Common Stock shall be entitled to cast one (1) vote, in person or by proxy, for each share of Class A Common Stock standing in his, her or its name on the transfer books of the Corporation; and

(b) holders of shares of Class B Common Stock shall have no right to vote on any matter submitted to the stockholders of the Corporation for vote, consent or approval, and shares of Class B Common Stock shall not be included in determining the number of shares voting or entitled to vote on any such matter.

Section 2. No Cumulative Voting. The holders of shares of Common Stock shall not have cumulative voting rights.

Section 3. No Preemptive or Subscription Rights. The holders of shares of Common Stock shall not have preemptive or subscription rights.

Section 4. Dividends; Conversion; Issuance

4.1 General Obligation. Subject to the rights of the holders of the 8% Preferred Stock and any series of Preferred Stock set forth in **Parts B and E** of **Article IV** and any other provisions herein, holders of Class A Common Stock and Class B Common Stock shall be entitled to receive, equally on a per share basis, such dividends and other distributions in cash, stock, or property of the Corporation as may be declared thereon by the Board from time to time out of assets or funds of the Corporation legally available therefor. Dividends shall be declared and paid to holders of shares of any of the Class A Common Stock and Class B Common Stock only if such dividends are declared and paid to all holders of shares of such classes in the same amount per share.

4.2 Distributions of Stock. If at any time a dividend or distribution of shares of Class A Common Stock or Class B Common Stock, or any other securities of the Corporation, is to be made to holders of shares of Class A Common Stock or Class B Common Stock (hereinafter referred to as a "**share distribution**"), such share distribution may be declared and paid only as follows:

(a) a share distribution consisting of shares of Class A Common Stock to holders of shares of Class A Common Stock; provided, there shall be a simultaneous share distribution consisting of shares of Class B Common Stock to holders of shares of Class B Common Stock in the same amount per share;

(b) a share distribution consisting of shares of Class B Common Stock to holders of shares of Class B Common Stock; provided, there shall be a simultaneous share distribution consisting of shares of Class A Common Stock to holders of shares of Class A Common Stock in the same amount per share; or

(c) a share distribution consisting of any other class of securities of the Corporation to holders of shares of Class A Common Stock and Class B Common Stock in the same amount per share.

Notwithstanding anything to the contrary herein, the issuance of shares of any class of Common Stock upon the conversion of shares of 8% Preferred Stock or Preferred Stock pursuant to **Part B** or **Part E** of **Article IV** hereof or of any class of Common Stock pursuant to this **Part C** of **Article IV** hereof shall not constitute a "share distribution" of purposes of this **Section 4**.

4.3 Liquidation; Dissolution. Subject to the rights of the holders of the 8% Preferred Stock and any series of Preferred Stock set forth in **Parts B and E** of **Article IV** and any other provisions herein, upon any liquidation, dissolution or winding up of the Corporation, the holders of shares of Class A Common Stock and the holders of shares of Class B Common Stock shall be entitled to receive, equally on a per share basis, the assets of the Corporation available for distribution after payments to creditors and to the holders of any 8% Preferred Stock or any series of Preferred Stock that may at the time be outstanding, in proportion to the number of shares held by them, respectively, without regard to class.

4.4 Issuance of Common Stock; Automatic Conversion. Upon a Fundamental Change, a Change of Control or immediately prior to the closing of a Qualified Public Offering, each share of Class B Common Stock then issued and outstanding shall automatically convert, on a share for share basis, to a share of Class A Common Stock and the Class B Common Stock shall cease to exist as a separate class of Common Stock.

Section 5. Reclassification, Etc. Neither the Class A Common Stock nor Class B Common Stock may be subdivided, consolidated, reclassified or otherwise changed unless contemporaneously therewith the other class of Common Stock is subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.

Part D. Power to Sell and Purchase Shares

Subject to the requirements of applicable law, the Corporation shall have the power to issue and sell all or any part of any shares of any class of stock herein or hereafter authorized to such persons, and for such consideration, as the Board shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issue or sale of the same number of shares of another class, and as otherwise permitted by law. Subject to the requirements of applicable law, the Corporation shall have the power to purchase any shares of any class of stock herein or hereafter authorized from such persons, and for such consideration, as the Board shall from time to time, in its discretion, determine, whether or not less consideration could be paid upon the purchase of the same number of shares of another class, and as otherwise permitted by law.

Part E. 8% Preferred Stock

Section 1. Dividends.

1.1 General Obligations. Each share of 8% Preferred Stock shall have a stated value (the "**Stated Value**") of $1,000. Each share of 8% Preferred Stock will accrue dividends on a daily basis at the rate of eight percent (8%) per annum compounded annually (calculated on the basis of a 360 day year of 30 day months), on the Stated Value thereof (the "**8% Dividend**") from and including the earlier of (a) the date of the contribution of cash or other property with respect to which such share of 8% Preferred Stock is issued and (b) the date of issuance of such share of 8% Preferred Stock, to and including the earlier of (x) the date of any liquidation, dissolution or winding up of the Corporation, (y) the date on which such share of 8% Preferred Stock is redeemed in accordance with **Section 5** of this **Part E** or (z) the date on which such share of 8% Preferred Stock is converted in accordance with **Section 6 or Section 7** of this **Part E** (the "**Accrual Period**"), and will also receive any dividends paid on the Common Stock during the Accrual Period on an as converted basis using the then current Market Price of a share of Common Stock and the then current Stated Value of a share of 8% Preferred Stock. The 8% Dividend will accrue whether or not they have been declared and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends; provided that such dividends will be paid only when, as and if declared by the Board, out of funds legally available for the payment of dividends. The date on which the Corporation initially issues any share of 8% Preferred Stock will be deemed to be its "date of issuance" regardless of the number of times transfer of such share of 8% Preferred Stock is made on the stock records maintained by or for the Corporation and regardless of the number of certificates that may be issued to evidence such share of 8% Preferred Stock.

1.2 Priority of Dividends. All accrued and unpaid 8% Dividends on the 8% Preferred Stock shall be fully paid, or declared with funds irrevocably set apart for payment, before any dividend, distribution or payment may be made with respect to any 8% Junior Securities.

1.3 Payments of Dividends. Subject to **Section 1.1** of this **Part E**, dividends on the 8% Preferred Stock may be declared by the Board and paid on any date fixed by the Board, to the holders of record of the 8% Preferred Stock as they appear on the stock register of the Corporation on the record date fixed by the Board. Any dividend payments shall first be credited against 8% Dividends accumulated with respect to the earliest period for which dividends have not been paid, pro rata to the holders of 8% Preferred Stock.

Section 2. Liquidation.

2.1 Liquidation; Dissolution. Upon any liquidation, dissolution or winding up of the Corporation, each holder of 8% Preferred Stock shall be entitled to be paid, before any distribution or payment is made upon any 8% Junior Securities, an amount in cash

equal to the Stated Value of the shares of 8% Preferred Stock held by each such holder plus all accrued and unpaid 8% Dividends thereon pursuant to **Section 1.1** of this **Part E** (the "**8% Liquidation Preference**") before any payment shall be made or any assets distributed to the holders of any 8% Junior Securities. After any such payment in full, the remaining assets of the Corporation available for distribution shall be distributed first to the holders of 8% Junior Securities that rank senior to the Common Stock on liquidation and then ratably to the holders of Common Stock and the holders of 8% Preferred Stock and any other holders of participating capital stock of the Corporation on a share for share basis provided, however, that if at any time after the date of issuance of a share of 8% Preferred Stock or of any other participating capital stock (such share of 8% Preferred Stock or other participating capital stock being referred to herein as a "**Participating Share**") there is a stock split of the Common Stock, then such Participating Share shall participate in such distribution as if there was a stock split of such Participating Share equal to the stock split of the Common Stock (meaning that each share of Common Stock, 8% Preferred Stock and any other participating capital stock shall receive the same distribution per share after equitably adjusting the 8% Preferred Stock and all other participating classes of capital stock to give effect to any stock split of the Common Stock). The 8% Liquidation Preference, together with any distribution to which a holder of 8% Preferred Stock is entitled pursuant to the immediately preceding sentence, is referred to herein as the "**8% Liquidation Amount**." If upon any such liquidation, dissolution or winding up of the Corporation, the Corporation's assets available for distribution to its stockholders are insufficient to permit payment of the 8% Liquidation Amount to the holders of 8% Preferred Stock in full, then the entire assets available for distribution to holders of 8% Preferred Stock shall be distributed ratably among holders of 8% Preferred Stock based upon the 8% Liquidation Amount of the 8% Preferred Stock held by such holders.

2.2 Deemed Liquidations. A Fundamental Change or Change of Control shall not be a deemed liquidation, dissolution or winding up of the Corporation within the meaning of **Section 2.1** of this **Part E**.

2.3 Noncash Distributions. If any of the assets of the Corporation are to be distributed other than in cash pursuant to this **Section 2**, the value of such assets shall be determined by agreement of the Board and the Required Holders, provided that if they cannot so agree, then the Board shall promptly engage, at the Corporation's expense, an independent appraiser, which appraiser shall be reasonably acceptable to the Required Holders, to determine the value of the assets to be distributed to the holders of 8% Preferred Stock; except that the value of any security that is listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market shall be deemed to be its Market Price. The Corporation shall, upon receipt of the appraiser's valuation, if any, give prompt written notice to each holder of shares of 8% Preferred Stock of the appraiser's valuation.

2.4 Cancellation of Shares. Upon payment or distribution of all amounts to be paid to the holders of the 8% Preferred Stock under this **Section 2**, the shares of 8% Preferred Stock shall be deemed to be automatically canceled and the rights and preferences contained herein shall be null and void.

Section 3. Voting Rights. Except as otherwise required by applicable law or as set forth herein, the 8% Preferred Stock shall not have voting rights with respect to the affairs of the Corporation.

Section 4. Priority of 8% Preferred Stock; Subordination of 8% Junior Securities. So long as any 8% Preferred Stock remains outstanding, neither the Corporation nor any Subsidiary shall redeem, purchase or otherwise acquire directly or indirectly any 8%

Junior Securities, if at the time of or immediately after any such redemption, purchase or acquisition, any share of 8% Preferred Stock shall be outstanding; provided that, notwithstanding the foregoing, the Corporation may purchase shares of Common Stock pursuant to the terms of any equity incentive plan (or similar agreement) of the Corporation and its Subsidiaries or any employment (or employee related) agreement with the senior managers of the Corporation and its Subsidiaries (an "**Exempt Repurchase**"). So long as any shares of the 8% Preferred Stock are outstanding and except for Exempt Repurchases, the Board shall not declare, and the Corporation shall not pay or set apart for payment any dividend on any 8% Junior Securities or make any distribution in respect of the 8% Junior Securities, either directly or indirectly, and whether in cash, obligations or shares of the Corporation or other property unless prior to or concurrently with such declaration, payment or distribution, as the case may be, all accumulated and unpaid 8% Dividends on the shares of the 8% Preferred Stock not paid as provided in **Section 1** of this **Part E** shall have been paid. All payments or distributions upon or with respect to any 8% Junior Securities that are received by the holder thereof contrary to the provisions of this **Section 4** shall be (1) received in trust for the benefit of the holders of the 8% Preferred Stock, (2) segregated from other funds and property held by such holder of 8% Junior Securities, and (3) paid over to the holders of the 8% Preferred Stock in the same form as so received (with any necessary endorsement).

Section 5. Redemption of 8% Preferred Stock. The rights of redemption with respect to the 8% Preferred Stock are as follows:

5.1 Optional Redemption – Holder. At any time after April 23, 2008, a holder of 8% Preferred Stock may, by sending written notice (each, a "**Redemption Notice**") to the Corporation, require the Corporation to redeem all or any portion of the outstanding 8% Preferred Stock held by such holder for a price equal to the 8% Liquidation Amount of such 8% Preferred Stock, calculated as if the Corporation was to be liquidated as of the date of such redemption. Within ten (10) days of its receipt of any Redemption Notice, the Corporation shall give written notice to holders of the 8% Preferred Stock of such redemption. Upon receipt of any Redemption Notice, the Corporation shall be obligated to redeem for cash the aggregate number of shares of 8% Preferred Stock specified in the Redemption Notice and any Redemption Notice received by the Corporation within twenty (20) days of the first Redemption Notice ("**Total Redemption Shares**") within ninety (90) days after the Corporation's receipt of the applicable Redemption Notice; provided, however, that if the Corporation does not, in the reasonable discretion of the Board, have sufficient cash to redeem the Total Redemption Shares, the 8% Preferred Stock shall be redeemed pro rata based on the Total Redemption Shares; provided further, that prior to April 23, 2009, the Corporation shall not be required to redeem more than fifty percent (50%) of the 8% Preferred Stock from the initial holder thereof and any Person's transferees, in the aggregate.

5.2 Optional Redemption – Corporation. The Corporation, acting through the Board, may at any time redeem all or any portion of the 8% Preferred Stock then outstanding. On any such redemption, the Corporation shall pay a price per share of 8% Preferred Stock equal to the 8% Liquidation Amount, calculated as if the Corporation

was to be liquidated as of the date of such redemption. Any redemptions made hereunder shall be made to each holder of 8% Preferred Stock pro rata based on the aggregate 8% Liquidation Amount of the 8% Preferred Stock held by each holder.

5.3 Cancellation of Redeemed Shares. All of the shares of 8% Preferred Stock redeemed as provided in this **Section 5** of this **Part E** shall be retired and canceled and shall not be reissued and the number of authorized shares of 8% Preferred Stock shall automatically be reduced by such number of redeemed shares.

5.4 Payment of Redemption Price. If the funds of the Corporation legally available therefor shall be insufficient to discharge any redemption required pursuant to this **Section 5** of this **Part E**, the maximum number of full shares of 8% Preferred Stock that can be redeemed with such funds shall be redeemed ratably among the holders of the 8% Preferred Stock in proportion to the aggregate redemption price to be paid to each holder and the extent such obligation is not met in full, such obligation shall continue to be discharged as promptly as funds legally available therefor become available until the obligation is discharged in full.

5.5 Notices. The Corporation will (a) give written notice if required by applicable law to all holders of 8% Preferred Stock prior to the date on which the Corporation closes its books or takes a record (i) with respect to any distribution upon Common Stock, or (ii) with respect to any pro rata subscription offer to holders of Common Stock and (b) give written notice if required by applicable law to the holders of 8% Preferred Stock prior to the date on which any Fundamental Change or Change of Control will take place.

Section 6. Reorganization, Reclassification, Consolidation, Merger or Sale. Any capital reorganization, reclassification, consolidation, merger or sale of all or substantially all of the Corporation's assets to another person or entity that is affected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock is referred to herein as an "**Organic Change**". Prior to the consummation of any Organic Change, the Corporation will make appropriate provisions (in form and substance satisfactory to the Required Holders) to insure that each of the holders of 8% Preferred Stock will thereafter have the right to acquire and receive such shares of stock, securities or assets as such holder would have received in connection with such Organic Change if such holder had converted each share of his 8% Preferred Stock immediately prior to such Organic Change into the number of shares of Class A Common Stock determined by dividing the 8% Liquidation Amount for such share of 8% Preferred Stock as of such date, calculated as if the Corporation was to be liquidated as of such date, by the Market Price of a share of Class A Common Stock as of such date. In any such case, the Corporation will make appropriate provisions (in form and substance satisfactory to the Required Holders) to insure that the provisions of this **Section 6** will thereafter be applicable to the 8% Preferred Stock. The Corporation will not effect any such Organic Change unless prior to the consummation thereof, the successor corporation (if other than the Corporation) resulting from such consolidation or merger or the corporation purchasing such assets assumes by written instrument (in form satisfactory to

the Required Holders) the obligation to deliver to each holder of 8% Preferred Stock such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to acquire and receive.

Section7. Rights Upon a Qualified Public Offering.

7.1 Election by Required Holders. The Corporation shall provide written notice (a "**QPO Notice**") to the holders of 8% Preferred Stock at least twenty (20) days prior to the first filing of a registration statement in connection with a Qualified Public Offering. The Required Holders, on behalf of all holders of 8% Preferred Stock, shall have ten (10) days following receipt of the QPO Notice to notify the Corporation in writing that the holders of the 8% Preferred Stock shall either: (i) elect to convert all of the 8% Preferred Stock and have the Corporation redeem the accrued but unpaid 8% Dividends thereon pursuant to **Section 7.2** of this **Part E**; (ii) elect to convert all of the 8% Preferred Stock, including all accrued but unpaid 8% Dividends thereon, pursuant to **Section 7.3** of this **Part E** or (iii) elect to continue to hold all of the 8% Preferred Stock. If the Qualified Public Offering is not consummated within six (6) months of delivery of the QPO Notice, then any election hereunder shall be void and the Corporation shall be obligated to comply with this **Section 7.1** with respect to any subsequent Qualified Public Offering.

7.2 Conversion and Redemption. If this **Section 7.2** is elected by the Required Holders, immediately prior to the closing of a Qualified Public Offering each share of 8% Preferred Stock then issued and outstanding shall automatically be converted into the number of shares of Class A Common Stock determined by dividing the difference between the 8% Liquidation Amount on such share of 8% Preferred Stock, calculated as if the Corporation was to be liquidated as of the date of such conversion, and the accrued but unpaid 8% Dividends on such share, by the mid-range offering price of a share of common stock to be sold to the public in such Qualified Public Offering as estimated by the underwriters in good faith and approved by the Board at the time of filing of the registration statement in connection with such Qualified Public Offering. If elected, immediately prior to the closing of the Qualified Public Offering, the outstanding shares of 8% Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Class A Common Stock issuable upon such conversion unless certificates evidencing such shares of 8% Preferred Stock being converted are either delivered to the Corporation or any transfer agent or the holder notifies the Corporation or any transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement reasonably satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith. Upon the conversion of the 8% Preferred Stock and the surrender by the holder of the 8% Preferred Stock of the certificates representing such shares duly endorsed (or the indemnity agreement referenced above) at the office of the Corporation or of any transfer agent for the Common Stock, there shall be issued and delivered to such holder, as soon as practicable thereafter at such office and in his name as shown on such surrendered certificate or certificates, a certificate or certificates for the

number of shares of Class A Common Stock into which the shares of the 8% Preferred Stock surrendered were convertible on the date on which such automatic conversion occurred. Within twenty (20) business days following the consummation of the Qualified Public Offering, the Corporation shall pay to the former holder of each share of 8% Preferred Stock, in cash, any and all accrued but unpaid 8% Dividends on such share of 8% Preferred Stock as of the date of such conversion.

7.3 Conversion Only. If this **Section 7.3** is elected by the Required Holders, immediately prior to the closing of a Qualified Public Offering, each share of 8% Preferred Stock then issued and outstanding shall automatically be converted into the number of shares of Class A Common Stock determined by dividing the 8% Liquidation Amount for such share of 8% Preferred Stock as of such date, calculated as if the Corporation was to be liquidated as of such date, by the mid-range offering price of a share of common stock sold to the public in such Qualified Public Offering as estimated by the underwriters in good faith and approved by the Board at the time of filing of the registration statement in connection with the Qualified Public Offering. If elected, immediately prior to the closing of the Qualified Public Offering, the outstanding shares of 8% Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Class A Common Stock issuable upon such conversion unless certificates evidencing such shares of 8% Preferred Stock being converted are either delivered to the Corporation or any transfer agent or the holder notifies the Corporation or any transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement reasonably satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith. Upon the conversion of the 8% Preferred Stock and the surrender by the holder of the 8% Preferred Stock of the certificates representing such shares duly endorsed (or the indemnity agreement referenced above) at the office of the Corporation or of any transfer agent for the Class A Common Stock, there shall be issued and delivered to such holder, as soon as practicable thereafter at such office and in his name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Class A Common Stock into which the shares of the 8% Preferred Stock surrendered were convertible as of the date of such conversion.

7.4 Fractional Interests. If any fractional interest in a share of Class A Common Stock would, except for the provisions of this **Section 7.4**, be deliverable upon any conversion pursuant to **Section 7.2** or **7.3** of this **Part E**, the Corporation, in lieu of delivering the fractional share therefore, will pay an amount to the holder thereof equal to the Market Price of such fractional interest as of the date of conversion.

7.5 Rounding. All calculations under this **Section 7** shall be made to the nearest cent or to the nearest one-tenth of a share, as the case may be.

7.6 Cancellation of Converted Shares. All of the shares of 8% Preferred Stock converted as provided herein shall be retired and canceled and shall not be reissued

and the number of authorized shares of 8% Preferred Stock shall automatically be reduced by such number of converted shares.

7.7 Protection of Conversion Rights. The Corporation shall not amend this Third Amended and Restated Certificate of Incorporation or participate in any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities or any other voluntary action, for the purpose of avoiding or seeking to avoid the observance or performance of any of the terms to be observed or performed under this Third Amended and Restated Certificate of Incorporation by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Third Amended and Restated Certificate of Incorporation and will take all actions that may be necessary or appropriate in order to protect the rights of the holders of shares of 8% Preferred Stock to convert such shares against impairment.

Section 8. Cancellation of Class. At such time as all of the shares of 8% Preferred Stock have been redeemed as provided in **Section 5** of this **Part E** or converted as provided in **Section 7** of this **Part E**, the 8% Preferred Stock shall cease to exist as a separate class of capital stock.

Section 9. Amendment and Waiver. Notwithstanding anything to the contrary contained in this Third Amended and Restated Certificate of Incorporation, so long as any 8% Preferred Stock remains outstanding, no amendment, alteration, change, repeal or waiver of any provision of this Third Amended and Restated Certificate of Incorporation shall be effective without the prior approval of the Required Holders.

Section 10. Rank. The Corporation shall not, without first obtaining the prior written consent of the Required Holders, issue any new class of equity securities (or any securities convertible into or exchangeable for equity securities) that rank senior to or in parity with the 8% Preferred Stock with respect to liquidations or the payment of distributions.

Part F. Certain Definitions

In addition to the terms defined elsewhere, the following terms shall have the respective meanings set forth below:

"**Change of Control**" shall mean any sale, Transfer, issuance or redemption or series of sales, Transfers, issuances or redemptions (or any combination thereof) of shares of the Corporation's capital stock by the holders thereof or the Corporation that results in any person or entity or group of affiliated persons or entities (other than the owners of the Corporation's capital stock (on a fully diluted basis) as of immediately prior to any such transaction or series of transactions) owning more than 50% of the outstanding Common Stock in the Corporation.

"**Fundamental Change**" shall mean a reorganization, consolidation or merger in which the Corporation is a party (except any reorganization, consolidation or merger where, after giving effect thereto, the holders of the Corporation's outstanding capital stock (on a fully diluted basis) immediately prior to such reorganization, consolidation or

merger will own immediately following such reorganization, consolidation or merger a majority of the outstanding voting equity securities of the Corporation (on a fully diluted basis), or a sale or other Transfer of all or substantially all of the assets of the Corporation and its Subsidiaries on a consolidated basis in any transaction or series of related transactions (other than sales in the ordinary course of business or Transfers of assets among the Corporation and its Subsidiaries).

"**Market Price**" of any security means the average of the closing prices of such security's sales on all securities exchanges on which such security may at the time be listed, or, if there has been no sale on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such security is not so listed, the average of the closing prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such security is not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar successor organization, in each such case averaged over a period of 21 business days consisting of the day as of which "Market Price" is being determined and the 20 consecutive business days prior to such day. If at any time such security is not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the "Market Price" will be the fair value thereof reasonably determined in good faith by the Board.

"**Person**" means a natural person, trust, estate, corporation (both non-profit and other corporation), partnership (both limited and general), joint venture, limited liability company, unincorporated association, sole proprietorship or other entity.

"**Qualified Public Offering**" shall mean the closing of a public offering pursuant to a registration statement declared effective under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock that is designated as a Qualified Public Offering by the Board with the approval of the Required Holders.

"**Required Holders**" means the holders at least 60% of the issued and outstanding shares of 8% Preferred Stock.

"**Subsidiary**" shall mean any person or entity of which securities or other ownership interests representing more than 50% of the ordinary voting power or equity interests of such person or entity are at the time owned or controlled, directly or indirectly, by the Corporation.

"**Transfer**" shall mean, as a noun, any voluntary or involuntary transfer, sale, assignment, pledge, encumbrance or other disposition, and as a verb, voluntarily or involuntarily to sell, assign, transfer, grant, give away, hypothecate, pledge, encumber or otherwise dispose of, and shall include any transfer by will, gift or intestate succession.

"**8% Junior Securities**" means each other class of capital stock, including the Common Stock, or series of Preferred Stock, that does not expressly provide that it ranks senior to or in parity with the 8% Preferred Stock.

Part G. Effect of Cancellation of Classes

Section 1. Cancellation of Class B Common Stock. Effective immediately following the automatic conversion and cancellation of the Class B Common Stock pursuant to **Section 4.4** of **Part C** of this **Article IV**, and without any further action on the part of the Corporation or any of its stockholders:

(a) **Clause (c)** of **Part A** of this **Article IV** shall be deleted in its entirety and the total authorized capital stock of the Corporation set forth in the first sentence of **Part A** of this **Article IV** shall be reduced by 6,486,715 shares to reflect the cancellation of the Class B Common Stock;

(b) the introductory sentence and **Sections 4** and **5** of **Part C** of this **Article IV** shall be deleted in their entirety and **Section 1** of **Part C** of this **Article IV** shall be deleted in its entirety and restated to read as follows:

"Section 1. Voting. On all matters on which holders of Common Stock are entitled to vote, each holder of shares of Common Stock shall be entitled to cast one (1) vote, in person or by proxy, for each share of Common Stock standing in his, her or its name on the transfer books of the Corporation."; and

(c) the Class A Voting Common Stock, or Class A Common Stock, shall be renamed "Common Stock" and all references in this Third Amended and Restated Certificate of Incorporation to "Class A Voting Common Stock" or "Class A Common Stock" shall be deemed to be references to "Common Stock."

Section 2. Cancellation of 8% Preferred Stock. Effective immediately following the cancellation of the 8% Preferred Stock pursuant to **Section 8** of **Part E** of this **Article IV**, and without any further action on the part of the Corporation or any of its stockholders:

(a) **Clause (d)** of **Part A** of this **Article IV** shall be deleted in its entirety and the total authorized capital stock of the Corporation set forth in the first sentence of **Part A** of this **Article IV** shall be reduced by 12,500 shares to reflect the cancellation of the 8% Preferred Stock; and

(b) **Part E** and **Part F** of this **Article IV** shall be deleted in their entirety.

Section 3. Restated Certificate. If the Board determines, the Corporation may file a restated certificate of incorporation pursuant to Section 245 of the GCL, without a vote of stockholders, which restates and integrates but does not further amend this Third Amended and Restated Certificate of Incorporation to reflect the effects of **Section 1** and **Section 2** of this **Part G** of this **Article IV** and to remove this **Part G** of this **Article IV**.

ARTICLE V
Board of Directors

The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(a) The business and affairs of the Corporation shall be managed by or under the direction of the Board.

(b) The Board shall consist of not less than five nor more than fifteen members, the exact number of which shall be fixed from time to time by the Board.

(c) The Board shall be divided into three classes, designated Class I, Class II and Class III. The initial division of the Board into classes shall be made by the decision of the affirmative vote of a majority of the entire Board. The term of the initial Class I directors shall terminate on the date of the 2005 annual meeting; the term of the initial Class II directors shall terminate on the date of the 2006 annual meeting; and the term of the initial Class III directors shall terminate on the date of the 2007 annual meeting or, in each case, upon such director's earlier death, resignation, retirement, disqualification or removal from office. At each succeeding annual meeting of stockholders beginning in 2005, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term and until their successors are duly elected and qualified, subject, however, to prior death, resignation, retirement, disqualification or removal from office. If the number of directors is changed, any increase or decrease shall be apportioned among the classes, and any additional director of any class elected to fill a vacancy resulting from an increase in such class or from the removal from office, death, disability, resignation or disqualification of a director or other cause shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors have the effect of removing or shortening the term of any incumbent director.

(d) Subject to the terms of any one or more classes or series of Preferred Stock, any vacancy on the Board that results from an increase in the number of directors may be filled by a majority of the Board then in office, provided that a quorum is present, and any other vacancy occurring on the Board may be filled by a majority of the Board then in office, even if less than a quorum, or by a sole remaining director. Any director of any class elected to fill a vacancy resulting from an increase in the number of directors of such class shall hold office for a term that shall coincide with the remaining term of that class. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor. Subject to the rights, if any, of the holders of shares of Preferred Stock then outstanding, any director or the entire Board may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote in connection with the election of directors. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock

issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Third Amended and Restated Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this **Article V** unless expressly provided by such terms.

(e) In addition to the powers and authority hereinabove or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Third Amended and Restated Certificate of Incorporation, and any by-laws adopted by the stockholders; provided, however, that no by-laws hereafter adopted by the stockholders shall invalidate any prior act of the directors that would have been valid if such by-laws had not been adopted.

ARTICLE VI
Liability of Directors

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except as to liability to the extent such exemption from liability or limitation thereof is not permitted under the paragraph (7) of subsection (b) of Section 102 of the GCL, as the same exists or may hereafter be amended. If the GCL hereafter is amended to further eliminate or limit the liability of a director, then a director of the Corporation, in addition to the circumstances in which a director is not personally liable as set forth in the preceding sentence, shall not be liable to the fullest extent permitted by the amended GCL. Any repeal or modification of this **Article VI** by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

ARTICLE VII
Creditor Arrangements

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under Section 291 of Title 8 of the GCL or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under Section 279 of Title 8 of the GCL order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as consequence

of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on this Corporation.

ARTICLE VIII
Indemnification

The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by applicable law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board. The right to indemnification conferred by this **Article VIII** shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition upon receipt by the Corporation of an undertaking by or on behalf of the director or officer receiving advancement to repay the amount advanced if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation under this **Article VIII**.

The Corporation may, to the extent authorized from time to time by the Board, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this **Article VIII** to directors and officers of the Corporation.

The rights to indemnification and to the advancement of expenses conferred in this **Article VIII** shall not be exclusive of any other right which any person may have or hereafter acquire under this Third Amended and Restated Certificate of Incorporation, the by-laws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

Any repeal or modification of this **Article VIII** by the stockholders of the Corporation shall not adversely affect any rights to indemnification and to the advancement of expenses of a director, officer, employee or agent of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

ARTICLE IX
No Action By Written Consent

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of

the Corporation, and the ability of the stockholders to consent in writing to the taking of any action is hereby specifically denied.

ARTICLE X
Location of Meetings of Stockholders and Books and Records

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws of the Corporation may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the by-laws of the Corporation.

ARTICLE XI
Calling of Special Meetings of Stockholders

Unless otherwise required by law, special meetings of the stockholders, for any purpose or purposes, may be called by either (i) the Chairman of the Board, if there be one (ii) the President or (iii) the Board. The ability of the stockholders to call a special meeting of the stockholders is hereby specifically denied.

ARTICLE XII
Amendments of By-laws

In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board shall have the power to adopt, amend, alter or repeal the by-laws of the Corporation. The affirmative vote of at least a majority of the entire Board shall be required to adopt, amend, alter or repeal the by-laws of the Corporation. The by-laws of the Corporation also may be adopted, amended, altered or repealed by the affirmative vote of the holders of at least two-thirds of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote in connection with the election of directors.

ARTICLE XIII
Amendments

The Corporation reserves the right to amend, alter, change, repeal or waive any provision contained in this Third Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; provided, however, that notwithstanding anything contained in this Third Amended and Restated Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least two-thirds of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote in connection with the election of directors shall be required to amend, alter, change or repeal, or adopt any provision inconsistent with, **Articles V, VI, VIII, IX, XI and XII** of this Third Amended and Restated Certificate of Incorporation or this **Article XIII**.

Any repeal or modification of **Articles VI or VIII** of this Third Amended and Restated Certificate of Incorporation shall not adversely affect any rights under **Articles VI or VIII** of any individual referred to in **Articles VI or VIII** existing at the time of such repeal or modification with respect to acts or omissions of such individual occurring prior to such repeal or modification.

ARTICLE XIV
Business Combinations

The Corporation shall not be governed by the provisions of Section 203 of the General Corporation Law.

IN WITNESS WHEREOF, the Corporation has cause this Third Amended and Restated Certificate of Incorporation to be executed on its behalf this day of , 2004.

HURON CONSULTING GROUP INC.

Name:
Title:

Exhibit 5.1

Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive
Chicago, Illinois 60606

September 24, 2004

Huron Consulting Group Inc.
550 West Van Buren
Chicago, Illinois 60607

Re: Huron Consulting Group Inc.
Registration Statement on Form S-1
(File No. 333-115434)

Ladies and Gentlemen:

We have acted as special counsel to Huron Consulting Group Inc., a Delaware corporation (the "Company"), in connection with the initial public offering by the Company of up to 3,333,333 shares (the "Primary Shares") and the sale by a certain selling stockholder (the "Selling Stockholder") of up to 2,416,667 shares (including 750,000 shares subject to an over-allotment option) (the "Secondary Shares") of the Company's common stock, par value $0.01 per share (the "Common Stock").

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "Act").

In rendering the opinions set forth herein, we have examined and relied on originals or copies of the following: (i) the registration statement on Form S-1 (File No. 333-115434) of the Company as filed with the Securities and Exchange Commission (the "Commission") on May 12, 2004 under the Act and Amendments No. 1 through No. 4 thereto (such Registration Statement, as so amended, being hereinafter referred to as the "Registration Statement"); (ii) the form of Underwriting Agreement (the "Underwriting Agreement") proposed to be entered into by and among the Company, as issuer, the Selling Stockholder and UBS Securities LLC, Deutsche Bank Securities Inc. and William Blair & Company, L.L.C., as representatives of the several underwriters named therein (the "Underwriters"), filed as an exhibit to the Registration Statement; (iii) a specimen certificate evidencing the Common Stock; (iv) the Certificate of Incorporation of the Company, as amended to date and currently in effect and as in effect at the time of original issuance and sale of the Secondary Shares; (v) the By-Laws of the Company, as amended to date and currently in effect and as in effect at the time of original issuance and sale of the Secondary Shares; (vi) the form of Third Amended and Restated Certificate of Incorporation of the Company, filed as an exhibit to the Registration Statement and to be filed with the Secretary of State of the State of Delaware (the "Restated Charter"); (vii) the form of Amended and Restated By-Laws of the Company (the "Restated By-Laws"), filed as an exhibit to the Registration Statement; (viii) certain resolutions of the Board of Directors of the Company, relating to the issuance and sale of the Primary Shares, the Restated Charter, the Restated By-Laws and related matters; (ix) certain resolutions of the stockholders of the Company relating to the Restated Charter and the Restated By-Laws; (x) the Subscription Agreement, dated April 23, 2002, between the Company and the Selling Stockholder, relating to the issuance and sale of the Secondary Shares (the "Subscription Agreement") and certain minutes of the Board of Directors of the Company related thereto; and (xi) copies of the stock certificates representing the Secondary Shares. We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements, certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents as we have deemed necessary or appropriate as a basis for the opinions set forth below.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original

documents of all documents submitted to us as facsimile, electronic, certified or photostatic copies, and the authenticity of the originals of such copies. In making our examination of executed documents, we have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery by such parties of such documents and the validity and binding effect thereof on such parties. In rendering the opinions set forth in paragraph 1 below, we have assumed that (i) the Restated Charter in the form examined by us has been duly filed with the Secretary of State of the State of Delaware and (ii) certificates representing the Primary Shares have been manually signed by an authorized officer of the transfer agent and registrar for the Common Stock and registered by such transfer agent and registrar and conform to the specimen certificate examined by us evidencing the Common Stock. In rendering the opinion set forth in paragraph 2 below, we have assumed that the Company received the entire amount of the consideration contemplated by the Subscription Agreement. As to any facts material to the opinions expressed herein that we did not independently establish or verify, we have relied upon factual statements and factual representations of officers and other representatives of the Company and others and of public officials.

We do not express any opinion as to any laws other than the corporate law of the State of Delaware, and we do not express any opinion as to the effect of any other laws on the opinions stated herein.

Based upon and subject to the foregoing, we are of the opinion that:

1. When (i) the Underwriting Agreement has been duly executed and delivered and (ii) certificates representing the Primary Shares have been delivered to and paid for by the Underwriters at the price per share (not less than the per share par value of the Common Stock) as contemplated by the Underwriting Agreement, the issuance and sale of the Primary Shares will have been duly authorized, and the Primary Shares will be validly issued, fully paid and nonassessable.

2. The Secondary Shares have been duly authorized and validly issued and are fully paid and nonassessable.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. We also consent to the reference to our firm under the caption “Legal Matters” in the prospectus forming a part of the Registration Statement. In giving this consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Skadden, Arps, Slate,
Meagher and Flom LLP

Exhibit 10.4

SECOND AMENDMENT
TO
SENIOR MANAGEMENT AGREEMENT

WHEREAS, Huron Consulting Group LLC, a Delaware limited liability company (the "Company") has entered into a Senior Management Agreement, effective as of May 13, 2002 with Gary E. Holdren (the "Executive"); and

WHEREAS, the Executive and the Company entered into the First Amendment to such Senior Management Agreement effective as of January 1, 2004 (such Senior Management Agreement as so amended constituting the "Agreement");

WHEREAS, the Company is wholly owned by Huron Consulting Group, Inc., a Delaware corporation (the "Parent");

WHEREAS, the Parent contemplates the consummation of an initial public offering of its common stock (the "IPO"); and

WHEREAS, the Executive and the Company desire to amend the Agreement, subject to and effective simultaneous with the Closing of the IPO.

NOW, THEREFORE, the Agreement is hereby amended, effective as set forth in Paragraph 6 below, as follows:

1. Section 1.1 of the Agreement is deleted in its entirety and replaced as follows:

The Company agrees to employ Executive, and Executive agrees to accept employment with the Company, as its Chief Executive Officer and President, for the Employment Period, in accordance with the terms and conditions of this Agreement. Executive shall also serve as Chief Executive Officer and President of the Parent during the Employment Period, in accordance with the terms and conditions of this Agreement. During the Employment Period, Executive shall (i) have such responsibilities, duties and authorities as are customarily assigned to such positions and shall render such services or act in such capacity for the Company and the Parent and its subsidiaries as the Board of Directors (the "Board") of the Parent shall from time to time direct, and (ii) shall report to the Board. Executive shall perform the duties and carry out the responsibilities assigned to him, to the best of his ability, in a trustworthy and businesslike manner for the purpose of advancing the business of the Company and the Parent. Executive shall engage in travel as reasonably required in the performance of Executive's duties.

2. Section 1.6(c) of the Agreement is deleted in its entirety and replaced as follows:

"Good Reason" shall mean the occurrence of any of the following without the express written consent of Executive:

(i) any material breach of the Agreement by the Company which has not been cured within 20 days after notice of such non-compliance has been given by Executive to the Company;

(ii) any material adverse change in status, position, responsibilities or any reduction in Base Salary of Executive (it being understood that, following a Change of Control (as defined

below), the fact that Executive is not named as Chief Executive Officer of the ultimate parent entity surviving the Change of Control shall constitute Good Reason);

(iii) assignment of duties to Executive that are materially inconsistent with Executive's position and responsibilities described in this Agreement;

(iv) the failure of the Company or the Parent to assign this Agreement to a successor to the Company or the Parent or failure of a successor to the Company or the Parent, as the case may be, to explicitly assume and agree to be bound by this Agreement; or

(v) requiring Executive to be principally based at any office or location more than fifty (50) miles from the current offices of the Company in Chicago, Illinois.

3. The Agreement is hereby amended by adding a new Section 7.4, as follows:

7.4 Change of Control.

(a) The provisions of Section 7.1 and 7.2 hereof to the contrary notwithstanding, if (i) Executive is terminated by the Company without Cause or Executive resigns for CoC Good Reason (defined below) in either case during the period commencing on a Change of Control (defined below) and ending on the second anniversary of the Change of Control (such two-year period being the "Protection Period" hereunder), or (ii) Executive reasonably demonstrates that the Company's termination of Executive's employment (or event which, had it occurred following a Change of Control, would have constituted CoC Good Reason) prior to a Change of Control was at the request of a third party who was taking steps reasonably calculated to effect a Change of Control (or otherwise in contemplation of a Change of Control) and a Change of Control actually occurs, (each a "Qualifying Termination"), then Executive shall be entitled to receive: (A) an amount in cash equal to the then-prevailing target amount of Executive's Annual Bonus ("Target Bonus") during the year of termination multiplied by a fraction, the numerator of which is the number of completed days (including the date of termination) during the year of termination and the denominator of which is 365, (B) an amount in cash equal to three (3) times the sum of Executive's annual Base Salary and annual Target Bonus, and (C) continuation of medical benefits until the third anniversary of the date of such termination upon the same terms as exist for Executive immediately prior to the termination date. Following any termination described in this Section 7.4, the Company shall continue to have all other rights available hereunder (including, without limitation, all rights under the Restrictive Covenants and any restrictive covenants set forth in any plan, award and agreement applicable to Executive, at law or in equity). Subject to the Executive's execution of the Release described in Section 11.1, the amounts described in (A) and (B) shall be paid in a lump sum within ten (10) days after the date of termination. Such amounts or benefits shall not be subject to mitigation or offset, except that medical benefits may be offset by comparable benefits obtained by Executive in connection with subsequent employment.

(b) Except as set forth in the proviso below, anything set forth in any equity plan, equity award or any other provision of this Agreement between the Company and Executive to the contrary notwithstanding, all of Executive's outstanding equity grants that were awarded any time shall fully vest upon the occurrence of a Qualifying Termination; provided, nothing in this Section 7.4(b) shall be construed as adversely amending the vesting schedule of any grant of

restricted stock or stock options (including any acceleration thereof under the stated conditions therein) awarded prior to the date of this Second Amendment.

(c) The compensation and benefits described in Section 7.4(a) and 7.4(b) shall be in lieu of compensation and benefits provided otherwise for a termination under Section 7.2 of this Agreement and any other plan or agreement of the Company, whether adopted before or after the date hereof, which provides severance payments or benefits.

(d) If it is determined that any amount, right or benefit paid or payable (or otherwise provided or to be provided) to Executive by the Company or any of its affiliates under this Agreement or any other plan, program or arrangement under which Executive participates or is a party, other than amounts payable under this Section 7.4(d) (collectively, the "Payments"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), subject to the excise tax imposed by Section 4999 of the Code, as amended from time to time (the "Excise Tax"), then the Executive shall be entitled to receive an additional payment from the Company (a "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income and employment taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment (and any interest and penalties imposed with respect thereto), the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax (including any interest and penalties imposed with respect thereto) imposed upon the Payments.

All determinations required to be made under this Section 7.4(d), including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by an independent, nationally recognized accounting firm mutually acceptable to the Company and the Executive (the "Auditor"). The Auditor shall promptly provide detailed supporting calculations to both the Company and Executive following any determination that a Gross-Up Payment is necessary. All fees and expenses of the Auditor shall be paid by the Company. Any Gross-Up Payment, as determined pursuant to this Section 7.4(d), shall be paid by the Company to the Executive within 5 days of the receipt of the Auditor's determination. All determinations made by the Auditor shall be binding upon the Company and the Executive; provided that if, notwithstanding the Auditor's initial determination, the Internal Revenue Service (or other applicable taxing authority) determines that an additional Excise Tax is due with respect to the Payments, then the Auditor shall recalculate the amount of the Gross-Up Payment based upon the determinations made by the Internal Revenue Service (or other applicable taxing authority) after taking into account any additional interest and penalties (the "Recalculated Amount") and the Company shall pay to the Executive the excess of the Recalculated Amount over the Gross-Up Payment initially paid to the Executive within 5 days of the receipt of the Auditor's recalculation the Gross-Up Payment.

(e) For the purposes of this Section 7.4 (and distinguished from a "Qualified Change of Control" provided under certain other circumstances under the Agreement), the term "Change of Control" shall be deemed to have occurred upon the first to occur of any event set forth in any one of the following paragraphs of this Section 7.4(e):

(i) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities beneficially owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities; or

(ii) there is consummated a merger or consolidation of the Parent or any direct or indirect subsidiary of the Parent with any Person, other than (a) a merger or consolidation which would result in the voting securities of the Parent or such subsidiary (as the case may be) outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 60% of the combined voting power of the securities of the Parent, or by the Parent (directly or indirectly) in such subsidiary, or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, (b) a merger or consolidation effected to implement a recapitalization of the Parent (or similar transaction) in which no Person other than existing security holders is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities, or (c) a merger or consolidation of a subsidiary of the Parent that does not represent a sale of all or substantially all of the assets of the Parent; or

(iii) the shareholders of the Parent approve a plan of complete liquidation or dissolution of the Parent (except for a plan of liquidation or dissolution effected to implement a recapitalization of the Parent (or similar transaction) in which no Person other than existing holders of voting securities is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities); or

(iv) there is consummated an agreement for the sale or disposition of all or substantially all of the assets of the Parent or of the Company to a Person, other than a sale or disposition by the Parent of all or substantially all of the assets of the Parent or a sale or disposition by the Company of all or substantially all of the assets of the Company (as the case may be) to an entity, at least 60% of the combined voting power of the voting securities of which are owned by shareholders of the Parent (or by the Parent, in the case of a sale by the Company) in substantially the same proportions as their ownership of the Parent (or the Company) immediately prior to such sale.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred (1) by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Parent immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Parent immediately following such transaction or series of transactions, or (2) as a result of a distribution by HCG Holdings, LLC of its common stock or other securities of the Parent to its members (other than in connection with a transaction if clauses (i) or (ii) of the definition of "Change of Control" above applied by substituting "HCG Holdings, LLC" in each place with the

"Parent" appears but without taking into account any references to subsidiaries contained in clause (ii)).

For purposes of this Change of Control definition, (A) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act, (B) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time, (C) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) HCG Holdings, LLC, any Related Party, the Parent, the Company or any of the Parent's direct or indirect subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or the Parent or any of their Affiliates, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, (D) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act and (E) "Related Party" shall mean (i) any member of HCG Holdings existing on the date hereof or any Affiliate of such members or (ii) any trust, corporation, partnership or other entity, whose beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of such entity consists of any of the parties listed in clause (i) of this definition.

4. Section 11.1 of the Agreement is hereby amended by adding the words "and Section 7.4" immediately following the words "Section 7.2 and Section 7.3" and adding the words "or Section 7.4" immediately following the words "Section 7.2 or Section 7.3" thereof.

5. This Second Amendment shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Second Amendment and the Agreement shall be governed by, the laws of the State of Illinois without giving effect to provisions thereof regarding conflict of laws.

6. This Second Amendment shall be effective simultaneous with the closing of the IPO. In the event that the IPO is not consummated prior to May 31, 2005, this Second Amendment will become null and void and of no force or effect (including in the event of the consummation of an IPO subsequent to such date). Following the effectiveness of this Second Amendment and except as specifically set forth in this Second Amendment, the Agreement shall remain in full force and effect and, as amended by this Second Amendment, is hereby ratified and confirmed by the Company and the Executive.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the dates written below.

THE COMPANY:
HURON CONSULTING GROUP LLC

By: /s/ George Massaro

Its: Chief Operating Officer

Date: September 23, 2004

THE PARENT:
HURON CONSULTING GROUP, INC.

By: /s/ George Massaro

Its: Chief Operating Officer

Date: September 23, 2004

EXECUTIVE:

/s/ Gary E. Holdren
Gary E. Holdren

Date: September 22, 2004

Exhibit 10.8

FIRST AMENDMENT
TO
SENIOR MANAGEMENT AGREEMENT

WHEREAS, Huron Consulting Group LLC, a Delaware limited liability company (the "Company"), has entered into a Senior Management Agreement, effective as of August 12, 2002, (the "Agreement") with George E. Massaro (the "Executive");

WHEREAS, the Company is wholly owned by Huron Consulting Group, Inc., a Delaware corporation (the "Parent");

WHEREAS, the Parent contemplates the consummation of an initial public offering of its common stock (the "IPO"); and

WHEREAS, the Executive and the Company desire to amend the Agreement, subject to and effective simultaneous with the Closing of the IPO.

NOW, THEREFORE, the Agreement is hereby amended, effective as set forth in Paragraph 4 below, as follows:

1. The Agreement is hereby amended by adding a new Section 6.4, as follows:

6.4 Change of Control.

(a) The provisions of Section 6.1 and 6.2 hereof to the contrary notwithstanding, if (i) Executive is terminated by the Company without Cause or Executive resigns for CoC Good Reason (defined below) in either case during the period commencing on a Change of Control (defined below) and ending on the second anniversary of the Change of Control (such two-year period being the "Protection Period" hereunder), or (ii) Executive reasonably demonstrates that the Company's termination of Executive's employment (or event which, had it occurred following a Change of Control, would have constituted CoC Good Reason) prior to a Change of Control was at the request of a third party who was taking steps reasonably calculated to effect a Change of Control (or otherwise in contemplation of a Change of Control) and a Change of Control actually occurs, (each a "Qualifying Termination"), then Executive shall be entitled to receive: (A) an amount in cash equal to the then-prevailing target amount of Executive's Annual Bonus ("Target Bonus") during the year of termination multiplied by a fraction, the numerator of which is the number of completed days (including the date of termination) during the year of termination and the denominator of which is 365, (B) an amount in cash equal to two (2) times the sum of Executive's annual Base Salary and annual Target Bonus, and (C) continuation of medical benefits until the second anniversary of the date of such termination upon the same terms as exist for Executive immediately prior to the termination date. Following any termination described in this Section 6.4, the Company shall continue to have all other rights available hereunder (including, without limitation, all rights under the Restrictive Covenants and any restrictive covenants set forth in any plan, award and agreement applicable to Executive, at law or in equity). Subject to the Executive's execution of the Release described in Section 10.1, the amounts described in (A) and (B) shall be paid in a lump sum within ten (10) days after the date of termination. Such amounts or benefits shall not be subject to mitigation or offset, except that medical benefits may be offset by comparable benefits obtained by Executive in connection with subsequent employment.

(b) Anything set forth in any equity plan, equity award or any other provision of this Agreement between the Company and Executive to the contrary notwithstanding, all of Executive's outstanding equity grants that were awarded at or prior to the time of the Change of Control shall fully vest upon the occurrence of a Qualifying Termination.

(c) The compensation and benefits described in Section 6.4(a) and 6.4(b) shall be in lieu of compensation and benefits provided otherwise for a termination under Section 6.2 of this Agreement and any other plan or agreement of the Company, whether adopted before or after the date hereof, which provides severance payments or benefits.

(d) If it is determined that any amount, right or benefit paid or payable (or otherwise provided or to be provided) to Executive by the Company or any of its affiliates under this Agreement or any other plan, program or arrangement under which Executive participates or is a party, other than amounts payable under this Section 6.4(d) (collectively, the "Payments"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), subject to the excise tax imposed by Section 4999 of the Code, as amended from time to time (the "Excise Tax"), and the present value of such Payments (calculated in a manner consistent with that set forth in the applicable regulations promulgated under Section 280G of the Code) is equal to or less than 10% greater than the threshold at which such amount becomes an "excess parachute payment," then the amount of the Payments payable to the Executive under this Agreement shall be reduced (a "Reduction") to the extent necessary so that no portion of such Payments payable to the Executive is subject to the Excise Tax.

In the event it shall be determined that the amount of the Payments payable to the Executive is more than 10% greater than the threshold at which such amount becomes an "excess parachute payment," then the Executive shall be entitled to receive an additional payment from the Company (a "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income and employment taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment (and any interest and penalties imposed with respect thereto), the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax (including any interest and penalties imposed with respect thereto) imposed upon the Payments.

All determinations required to be made under this Section 6.4(d), including whether and when a Gross-Up Payment or a Reduction is required, the amount of such Gross-Up Payment or Reduction and the assumptions to be utilized in arriving at such determination, shall be made by an independent, nationally recognized accounting firm mutually acceptable to the Company and the Executive (the "Auditor"); provided that in the event a Reduction is determined to be required, the Executive may determine which Payments shall be reduced in order to comply with the provisions of Section 6.4(d). The Auditor shall promptly provide detailed supporting calculations to both the Company and Executive following any determination that a Reduction or Gross-Up Payment is necessary. All fees and expenses of the Auditor shall be paid by the Company. Any Gross-Up Payment, as determined pursuant to this Section 6.4(d), shall be paid by the Company to the Executive within 5 days of the receipt of the Auditor's determination. All determinations made by the Auditor shall be binding upon the Company and the Executive; provided that if, notwithstanding the Auditor's initial determination, the Internal Revenue

Service (or other applicable taxing authority) determines that an additional Excise Tax is due with respect to the Payments, then the Auditor shall recalculate the amount of the Gross-Up Payment or Reduction Amount, if applicable, based upon the determinations made by the Internal Revenue Service (or other applicable taxing authority) after taking into account any additional interest and penalties (the "Recalculated Amount") and the Company shall pay to the Executive the excess of the Recalculated Amount over the Gross-Up Payment initially paid to the Executive or the amount of the Payments after the Reduction, as applicable, within 5 days of the receipt of the Auditor's recalculation the Gross-Up Payment.

(e) For purposes of this Section 6.4 (and distinguished from a "Qualified Change of Control" provided under certain other circumstances under the Agreement), the term "Change of Control" shall be deemed to have occurred upon the first to occur of any event set forth in any one of the following paragraphs of this Section 6.4(e):

(i) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities beneficially owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities; or

(ii) there is consummated a merger or consolidation of the Parent or any direct or indirect subsidiary of the Parent with any Person, other than (a) a merger or consolidation which would result in the voting securities of the Parent or such subsidiary (as the case may be) outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 60% of the combined voting power of the securities of the Parent, or by the Parent (directly or indirectly) in such subsidiary, or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, (b) a merger or consolidation effected to implement a recapitalization of the Parent (or similar transaction) in which no Person other than existing security holders is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities, or (c) a merger or consolidation of a subsidiary of the Parent that does not represent a sale of all or substantially all of the assets of the Parent; or

(iii) the shareholders of the Parent approve a plan of complete liquidation or dissolution of the Parent (except for a plan of liquidation or dissolution effected to implement a recapitalization of the Parent (or similar transaction) in which no Person other than existing holders of voting securities is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities); or

(iv) there is consummated an agreement for the sale or disposition of all or substantially all of the assets of the Parent or of the Company to a Person, other than a sale or disposition by the Parent of all or substantially all of the assets of the Parent or a sale or disposition by the Company of all or substantially all of the assets of the Company (as the case may be) to an entity, at least 60% of the combined voting power of the voting securities of which

are owned by shareholders of the Parent (or by the Parent, in the case of a sale by the Company) in substantially the same proportions as their ownership of the Parent (or the Company) immediately prior to such sale.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred (1) by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Parent immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Parent immediately following such transaction or series of transactions, or (2) as a result of a distribution by HCG Holdings, LLC of its common stock or other securities of the Parent to its members (other than in connection with a transaction if clauses (i) or (ii) of the definition of "Change of Control" above applied by substituting "HCG Holdings, LLC" in each place with the "Parent" appears but without taking into account any references to subsidiaries contained in clause (ii)).

For purposes of this Change of Control definition, (A) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act, (B) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time, (C) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) HCG Holdings, LLC, any Related Party, the Parent, the Company or any of the Parent's direct or indirect subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or the Parent or any of their Affiliates, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, (D) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act and (E) "Related Party" shall mean (i) any member of HCG Holdings existing on the date hereof or any Affiliate of such members or (ii) any trust, corporation, partnership or other entity, whose beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of such entity consists of any of the parties listed in clause (i) of this definition.

(f) For purposes of this Section 6.4 (and distinguished from "Good Reason" provided under certain other circumstances under the Agreement), the term "CoC Good Reason" means the occurrence of any of the following within the twenty-four (24) month period following a Change of Control without the express written consent of Executive:

(i) any material breach of the Company of the Agreement which has not been cured within twenty (20) days after notice of such non-compliance has been given by Executive to the Company;

(ii) any material adverse change in the status, position, or responsibilities of Executive;

(iii) any reduction in Base Salary, other than in connection with an across-the-board reduction in Base Salaries applicable in like proportions to all similarly situated executives of the Company and any direct or indirect parent of the Company;

(iv) assignment of duties to Executive that are materially inconsistent with Executive's position and responsibilities described in this Agreement;

(v) the failure of the Company to assign this Agreement to a successor to the Company or the Parent or failure of a successor to the Company or the Parent, as the case may be, to explicitly assume and agree to be bound by this Agreement; or

(vi) requiring Executive to be principally based at any office or location more than fifty (50) miles from the current offices of the Company in Boston, Massachusetts.

The foregoing to the contrary notwithstanding, if the Company or the Parent is acquired as a subsidiary or division of another company, (i) the fact that Executive is not named as Chief Operating Officer of that other company following the Change of Control shall not constitute Good Reason and (ii) in the absence of other grounds, the Executive shall not have incurred "CoC Good Reason" under either subparagraph (iii) or subparagraph (iv) on the ground that the Parent has ceased to be a reporting company pursuant to Section 13 and Section 15(d) of the Securities Exchange Act of 1934 as a result of the Change of Control.

2. Section 10.1 of the Agreement is hereby amended by adding the words "and Section 6.4" immediately following the words "Section 6.1 and Section 6.2" and adding the words "or Section 6.4" immediately following the words "Section 6.1 or Section 6.2" thereof.

3. This First Amendment and the Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this First Amendment and the Agreement shall be governed by, the laws of the State of Illinois without giving effect to provisions thereof regarding conflict of laws.

4. This First Amendment shall be effective simultaneous with the closing of the IPO. In the event that the IPO is not consummated prior to May 31, 2005, this First Amendment will become null and void and of no force or effect (including in the event of the consummation of an IPO subsequent to such date). Following the effectiveness of this First Amendment and except as specifically set forth in this First Amendment, the Agreement shall remain in full force and effect and, as amended by this First Amendment, is hereby ratified and confirmed by the Company and the Executive.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the dates written below.

THE COMPANY:

HURON CONSULTING GROUP LLC

By: Gary Holdren

Its: Chief Executive Officer and President

Date: September 22, 2004

THE PARENT:

HURON CONSULTING GROUP, INC.

By: Gary Holdren

Its: Chief Executive Officer and President

Date: September 22, 2004

EXECUTIVE:

/s/ George E. Massaro

George E. Massaro

Date: September 22, 2004

Exhibit 10.10

FIRST AMENDMENT
TO
SENIOR MANAGEMENT AGREEMENT

WHEREAS, Huron Consulting Group LLC, a Delaware limited liability company (the "Company"), has entered into a Senior Management Agreement, effective as of May 15, 2002 (the "Agreement") with Daniel Broadhurst (the "Executive");

WHEREAS, the Company is wholly owned by Huron Consulting Group, Inc., a Delaware corporation (the "Parent");

WHEREAS, the Parent contemplates the consummation of an initial public offering of its common stock (the "IPO"); and

WHEREAS, the Executive and the Company desire to amend the Agreement, subject to and effective simultaneous with the Closing of the IPO.

NOW, THEREFORE, the Agreement is hereby amended, effective as set forth in Paragraph 4 below, as follows:

1. The Agreement is hereby amended by restating in its entirety Section 6.4, as follows:

6.4 Change of Control.

(a) The provisions of Section 6.1 and 6.2 hereof to the contrary notwithstanding, if (i) Executive is terminated by the Company without Cause or Executive resigns for CoC Good Reason (defined below) in either case during the period commencing on a Change of Control (defined below) and ending on the second anniversary of the Change of Control (such two-year period being the "Protection Period" hereunder), or (ii) Executive reasonably demonstrates that the Company's termination of Executive's employment (or event which, had it occurred following a Change of Control, would have constituted CoC Good Reason) prior to a Change of Control was at the request of a third party who was taking steps reasonably calculated to effect a Change of Control (or otherwise in contemplation of a Change of Control) and a Change of Control actually occurs, (each a "Qualifying Termination"), then Executive shall be entitled to receive: (A) an amount in cash equal to the then-prevailing target amount of Executive's Annual Bonus ("Target Bonus") during the year of termination multiplied by a fraction, the numerator of which is the number of completed days (including the date of termination) during the year of termination and the denominator of which is 365, (B) an amount in cash equal to the sum of Executive's annual Base Salary and annual Target Bonus, and (C) continuation of medical benefits until the first anniversary of the date of such termination upon the same terms as exist for Executive immediately prior to the termination date. Following any termination described in this Section 6.4, the Company shall continue to have all other rights available hereunder (including, without limitation, all rights under the Restrictive Covenants and any restrictive covenants set forth in any plan, award and agreement applicable to Executive, at law or in equity). Subject to the Executive's execution of the Release described in Section 10.1, the amounts described in (A) and (B) shall be paid in a lump sum within ten (10) days after the date of termination. Such amounts or benefits shall not be subject to mitigation or offset, except that medical benefits may be offset by comparable benefits obtained by Executive in connection with subsequent employment.

(b) Anything set forth in any equity plan, equity award or any other provision of this Agreement between the Company and Executive to the contrary notwithstanding, all of Executive's outstanding equity grants that were awarded at or prior to the time of the Change of Control shall fully vest upon the occurrence of a Qualifying Termination.

(c) The compensation and benefits described in Section 6.4(a) and 6.4(b) shall be in lieu of compensation and benefits provided otherwise for a termination under Section 6.2 of this Agreement and any other plan or agreement of the Company, whether adopted before or after the date hereof, which provides severance payments or benefits.

(d) If it is determined that any amount, right or benefit paid or payable (or otherwise provided or to be provided) to Executive by the Company or any of its affiliates under this Agreement or any other plan, program or arrangement under which Executive participates or is a party (collectively, the "Payments"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), subject to the excise tax imposed by Section 4999 of the Code, as amended from time to time (the "Excise Tax"), then the amount of the Payments payable to the Executive under this Agreement shall be reduced (a "Reduction") to the extent necessary so that no portion of such Payments payable to the Executive is subject to the Excise Tax.

All determinations required to be made under this Section 6.4(d) and the assumptions to be utilized in arriving at such determination, shall be made by an independent, nationally recognized accounting firm mutually acceptable to the Company and the Executive (the "Auditor"); provided that in the event a Reduction is required, the Executive may determine which Payments shall be reduced in order to comply with the provisions of Section 6.4(d). The Auditor shall promptly provide detailed supporting calculations to both the Company and Executive following any determination that a Reduction is necessary. All fees and expenses of the Auditor shall be paid by the Company. All determinations made by the Auditor shall be binding upon the Company and the Executive.

(e) For purposes of this Section 6.4 (and distinguished from a "Qualified Change of Control" provided under certain other circumstances under the Agreement), the term "Change of Control" shall be deemed to have occurred upon the first to occur of any event set forth in any one of the following paragraphs of this Section 6.4(e):

(i) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities beneficially owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities; or

(ii) there is consummated a merger or consolidation of the Parent or any direct or indirect subsidiary of the Parent with any Person, other than (a) a merger or consolidation which would result in the voting securities of the Parent or such subsidiary (as the case may be) outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any

parent thereof) at least 60% of the combined voting power of the securities of the Parent, or by the Parent (directly or indirectly) in such subsidiary, or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, (b) a merger or consolidation effected to implement a recapitalization of the Parent (or similar transaction) in which no Person other than existing security holders is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities, or (c) a merger or consolidation of a subsidiary of the Parent that does not represent a sale of all or substantially all of the assets of the Parent; or

(iii) the shareholders of the Parent approve a plan of complete liquidation or dissolution of the Parent (except for a plan of liquidation or dissolution effected to implement a recapitalization of the Parent (or similar transaction) in which no Person other than existing holders of voting securities is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities); or

(iv) there is consummated an agreement for the sale or disposition of all or substantially all of the assets of the Parent or of the Company to a Person, other than a sale or disposition by the Parent of all or substantially all of the assets of the Parent or a sale or disposition by the Company of all or substantially all of the assets of the Company (as the case may be) to an entity, at least 60% of the combined voting power of the voting securities of which are owned by shareholders of the Parent (or by the Parent, in the case of a sale by the Company) in substantially the same proportions as their ownership of the Parent (or the Company) immediately prior to such sale.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred (1) by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Parent immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Parent immediately following such transaction or series of transactions, or (2) as a result of a distribution by HCG Holdings, LLC of its common stock or other securities of the Parent to its members (other than in connection with a transaction if clauses (i) or (ii) of the definition of "Change of Control" above applied by substituting "HCG Holdings, LLC" in each place with the "Parent" appears but without taking into account any references to subsidiaries contained in clause (ii)).

For purposes of this Change of Control definition, (A) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act, (B) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time, (C) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) HCG Holdings, LLC, any Related Party, the Parent, the Company or any of the Parent's direct or indirect subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or the Parent or any of their Affiliates, (3) an underwriter temporarily holding securities pursuant to an

offering of such securities, or (4) a corporation owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, (D) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act and (E) "Related Party" shall mean (i) any member of HCG Holdings existing on the date hereof or any Affiliate of such members or (ii) any trust, corporation, partnership or other entity, whose beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of such entity consists of any of the parties listed in clause (i) of this definition.

(f) For purposes of this Section 6.4 (and distinguished from "Good Reason" provided under certain other circumstances under the Agreement), the term "CoC Good Reason" means the occurrence of any of the following within the twenty-four (24) month period following a Change of Control without the express written consent of Executive:

(i) any material breach of the Company of the Agreement which has not been cured within twenty (20) days after notice of such non-compliance has been given by Executive to the Company;

(ii) a material diminution of duties of Executive;

(iii) any reduction in Base Salary, other than in connection with an across-the-board reduction in Base Salaries applicable in like proportions to all similarly situated executives of the Company and any direct or indirect parent of the Company;

(iv) assignment of duties to Executive that are materially inconsistent with Executive's position and responsibilities described in this Agreement;

(v) the failure of the Company to assign this Agreement to a successor to the Company or the Parent or failure of a successor to the Company or the Parent, as the case may be, to explicitly assume and agree to be bound by this Agreement; or

(vi) requiring Executive to be principally based at any office or location more than fifty (50) miles from the current offices of the Company in Chicago, Illinois.

The foregoing to the contrary notwithstanding, if the Company or the Parent is acquired as a subsidiary or division of another company, in the absence of other grounds, the Executive shall not have incurred "CoC Good Reason" under subparagraph (iv) on the ground that the Parent has ceased to be a reporting company pursuant to Section 13 and Section 15(d) of the Securities Exchange Act of 1934 as a result of the Change of Control.

2. Section 10.1 of the Agreement is hereby amended by adding the words "and Section 6.4" immediately following the words "Section 6.1 and Section 6.2" and adding the words "or Section 6.4" immediately following the words "Section 6.1 or Section 6.2" thereof.

3. This First Amendment and the Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this First Amendment and the Agreement shall be governed by, the laws of the State of Illinois without giving effect to provisions thereof regarding conflict of laws.

4. This First Amendment shall be effective simultaneous with the closing of the IPO. In the event that the IPO is not consummated prior to May 31, 2005, this First Amendment will become null and void and of no force or effect (including in the event of the consummation of an IPO subsequent to such date). Following the effectiveness of this First Amendment and except as specifically set forth in this First Amendment, the Agreement shall remain in full force and effect and, as amended by this First Amendment, is hereby ratified and confirmed by the Company and the Executive.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the dates written below.

THE COMPANY:

HURON CONSULTING GROUP LLC

By: /s/ George Massaro

Its: Chief Operating Officer

Date: September 23, 2004

THE PARENT

HURON CONSULTING GROUP, INC.

By: /s/ George Massaro

Its: Chief Operating Officer

Date: September 23, 2004

EXECUTIVE:

/s/ Daniel Broadhurst

Daniel Broadhurst

Date: September 22, 2004

Exhibit 10.12

FIRST AMENDMENT
TO
SENIOR MANAGEMENT AGREEMENT

WHEREAS, Huron Consulting Group LLC, a Delaware limited liability company (the "Company"), has entered into a Senior Management Agreement, effective as of May 1, 2002 (the "Agreement") with Mary Sawall (the "Executive");

WHEREAS, the Company is wholly owned by Huron Consulting Group, Inc., a Delaware corporation (the "Parent");

WHEREAS, the Parent contemplates the consummation of an initial public offering of its common stock (the "IPO"); and

WHEREAS, the Executive and the Company desire to amend the Agreement, subject to and effective simultaneous with the Closing of the IPO.

NOW, THEREFORE, the Agreement is hereby amended, effective as set forth in Paragraph 4 below, as follows:

1. The Agreement is hereby amended by restating in its entirety Section 6.4, as follows:

6.4 Change of Control.

(a) The provisions of Section 6.1 and 6.2 hereof to the contrary notwithstanding, if (i) Executive is terminated by the Company without Cause or Executive resigns for CoC Good Reason (defined below) in either case during the period commencing on a Change of Control (defined below) and ending on the second anniversary of the Change of Control (such two-year period being the "Protection Period" hereunder), or (ii) Executive reasonably demonstrates that the Company's termination of Executive's employment (or event which, had it occurred following a Change of Control, would have constituted CoC Good Reason) prior to a Change of Control was at the request of a third party who was taking steps reasonably calculated to effect a Change of Control (or otherwise in contemplation of a Change of Control) and a Change of Control actually occurs, (each a "Qualifying Termination"), then Executive shall be entitled to receive: (A) an amount in cash equal to the then-prevailing target amount of Executive's Annual Bonus ("Target Bonus") during the year of termination multiplied by a fraction, the numerator of which is the number of completed days (including the date of termination) during the year of termination and the denominator of which is 365, (B) an amount in cash equal to the sum of Executive's annual Base Salary and annual Target Bonus, and (C) continuation of medical benefits until the first anniversary of the date of such termination upon the same terms as exist for Executive immediately prior to the termination date. Following any termination described in this Section 6.4, the Company shall continue to have all other rights available hereunder (including, without limitation, all rights under the Restrictive Covenants and any restrictive covenants set forth in any plan, award and agreement applicable to Executive, at law or in equity). Subject to the Executive's execution of the Release described in Section 10.1, the amounts described in (A) and (B) shall be paid in a lump sum within ten (10) days after the date of termination. Such amounts or benefits shall not be subject to mitigation or offset, except that medical benefits may be offset by comparable benefits obtained by Executive in connection with subsequent employment.

(b) Anything set forth in any equity plan, equity award or any other provision of this Agreement between the Company and Executive to the contrary notwithstanding, all of Executive's outstanding equity grants that were awarded at or prior to the time of the Change of Control shall fully vest upon the occurrence of a Qualifying Termination.

(c) The compensation and benefits described in Section 6.4(a) and 6.4(b) shall be in lieu of compensation and benefits provided otherwise for a termination under Section 6.2 of this Agreement and any other plan or agreement of the Company, whether adopted before or after the date hereof, which provides severance payments or benefits.

(d) If it is determined that any amount, right or benefit paid or payable (or otherwise provided or to be provided) to Executive by the Company or any of its affiliates under this Agreement or any other plan, program or arrangement under which Executive participates or is a party (collectively, the "Payments"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), subject to the excise tax imposed by Section 4999 of the Code, as amended from time to time (the "Excise Tax"), then the amount of the Payments payable to the Executive under this Agreement shall be reduced (a "Reduction") to the extent necessary so that no portion of such Payments payable to the Executive is subject to the Excise Tax.

All determinations required to be made under this Section 6.4(d) and the assumptions to be utilized in arriving at such determination, shall be made by an independent, nationally recognized accounting firm mutually acceptable to the Company and the Executive (the "Auditor"); provided that in the event a Reduction is required, the Executive may determine which Payments shall be reduced in order to comply with the provisions of Section 6.4(d). The Auditor shall promptly provide detailed supporting calculations to both the Company and Executive following any determination that a Reduction is necessary. All fees and expenses of the Auditor shall be paid by the Company. All determinations made by the Auditor shall be binding upon the Company and the Executive.

(e) For purposes of this Section 6.4 (and distinguished from a "Qualified Change of Control" provided under certain other circumstances under the Agreement), the term "Change of Control" shall be deemed to have occurred upon the first to occur of any event set forth in any one of the following paragraphs of this Section 6.4(e):

(i) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities beneficially owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities; or

(ii) there is consummated a merger or consolidation of the Parent or any direct or indirect subsidiary of the Parent with any Person, other than (a) a merger or consolidation which would result in the voting securities of the Parent or such subsidiary (as the case may be) outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any

parent thereof) at least 60% of the combined voting power of the securities of the Parent, or by the Parent (directly or indirectly) in such subsidiary, or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, (b) a merger or consolidation effected to implement a recapitalization of the Parent (or similar transaction) in which no Person other than existing security holders is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities, or (c) a merger or consolidation of a subsidiary of the Parent that does not represent a sale of all or substantially all of the assets of the Parent; or

(iii) the shareholders of the Parent approve a plan of complete liquidation or dissolution of the Parent (except for a plan of liquidation or dissolution effected to implement a recapitalization of the Parent (or similar transaction) in which no Person other than existing holders of voting securities is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Parent or its Affiliates) representing 40% or more of the combined voting power of the Parent's then outstanding securities); or

(iv) there is consummated an agreement for the sale or disposition of all or substantially all of the assets of the Parent or of the Company to a Person, other than a sale or disposition by the Parent of all or substantially all of the assets of the Parent or a sale or disposition by the Company of all or substantially all of the assets of the Company (as the case may be) to an entity, at least 60% of the combined voting power of the voting securities of which are owned by shareholders of the Parent (or by the Parent, in the case of a sale by the Company) in substantially the same proportions as their ownership of the Parent (or the Company) immediately prior to such sale.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred (1) by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Parent immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Parent immediately following such transaction or series of transactions, or (2) as a result of a distribution by HCG Holdings, LLC of its common stock or other securities of the Parent to its members (other than in connection with a transaction if clauses (i) or (ii) of the definition of "Change of Control" above applied by substituting "HCG Holdings, LLC" in each place with the "Parent" appears but without taking into account any references to subsidiaries contained in clause (ii)).

For purposes of this Change of Control definition, (A) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act, (B) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time, (C) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) HCG Holdings, LLC, any Related Party, the Parent, the Company or any of the Parent's direct or indirect subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or the Parent or any of their Affiliates, (3) an underwriter temporarily holding securities pursuant to an

offering of such securities, or (4) a corporation owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, (D) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act and (E) "Related Party" shall mean (i) any member of HCG Holdings existing on the date hereof or any Affiliate of such members or (ii) any trust, corporation, partnership or other entity, whose beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of such entity consists of any of the parties listed in clause (i) of this definition.

(f) For purposes of this Section 6.4 (and distinguished from "Good Reason" provided under certain other circumstances under the Agreement), the term "CoC Good Reason" means the occurrence of any of the following within the twenty-four (24) month period following a Change of Control without the express written consent of Executive:

(i) any material breach of the Company of the Agreement which has not been cured within twenty (20) days after notice of such non-compliance has been given by Executive to the Company;

(ii) any material adverse change in the status, responsibilities or position of Executive;

(iii) any reduction in Base Salary, other than in connection with an across-the-board reduction in Base Salaries applicable in like proportions to all similarly situated executives of the Company and any direct or indirect parent of the Company;

(iv) assignment of duties to Executive that are materially inconsistent with Executive's position and responsibilities described in this Agreement;

(v) the failure of the Company to assign this Agreement to a successor to the Company or the Parent or failure of a successor to the Company or the Parent, as the case may be, to explicitly assume and agree to be bound by this Agreement; or

(vi) requiring Executive to be principally based at any office or location more than fifty (50) miles from the current offices of the Company in Chicago, Illinois.

The foregoing to the contrary notwithstanding, if the Company or the Parent is acquired as a subsidiary or division of another company, (i) the fact that Executive is not named as Managing Director Human Resources of that other company following the Change of Control shall not constitute Good Reason and (ii) in the absence of other grounds, the Executive shall not have incurred "CoC Good Reason" under either subparagraph (ii) or subparagraph (iv) on the ground that the Parent has ceased to be a reporting company pursuant to Section 13 and Section 15(d) of the Securities Exchange Act of 1934 as a result of the Change of Control.

2. Section 10.1 of the Agreement is hereby amended by adding the words "and Section 6.4" immediately following the words "Section 6.1 and Section 6.2" and adding the words "or Section 6.4" immediately following the words "Section 6.1 or Section 6.2" thereof.

3. This First Amendment and the Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this First Amendment and the Agreement shall be governed by, the laws of the State of Illinois without giving effect to provisions thereof regarding conflict of laws.

4. This First Amendment shall be effective simultaneous with the closing of the IPO. In the event that the IPO is not consummated prior to May 31, 2005, this First Amendment will become null and void and of no force or effect (including in the event of the consummation of an IPO subsequent to such date). Following the effectiveness of this First Amendment and except as specifically set forth in this First Amendment, the Agreement shall remain in full force and effect and, as amended by this First Amendment, is hereby ratified and confirmed by the Company and the Executive.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the dates written below.

THE COMPANY:

HURON CONSULTING GROUP LLC

By: /s/ George Massaro

Its: Chief Operating Officer

Date: September 23, 2004

THE PARENT

HURON CONSULTING GROUP, INC.

By: /s/ George Massaro

Its: Chief Operating Officer

Date: September 23, 2004

EXECUTIVE:

/s/ Mary Sawall

Mary Sawall

Date: September 22, 2004

Exhibit 10.17

HURON CONSULTING GROUP INC.
2004 OMNIBUS STOCK PLAN

1. Purpose; Establishment.

The Huron Consulting Group Inc. 2004 Omnibus Stock Plan (the "Plan") is intended to attract and retain employees**,** non-employee directors and independent contractors of the Company, to motivate them to achieve long-term Company goals and to further align their interests with those of the Company's stockholders. The Plan was adopted and approved by the Board of Directors effective as of _____, 2004, and was approved by the stockholders of the Company.

2. Definitions.

As used in the Plan, the following definitions apply to the terms indicated below:

(a) "Administrative Actions" shall have the meaning set forth in Section 4(b).

(b) "Affiliate" means any entity if, at the time of granting of an Award (1) the Company, directly or indirectly, owns at least 50% of the combined voting power of all classes of stock of such entity or at least 50% of the ownership interests in such entity or (2) such entity, directly or indirectly, owns at least 50% of the combined voting power of all classes of stock of the Company.

(c) "Agreement" shall mean the written agreement between the Company and a Participant evidencing an Award or a notice of an Award delivered to a Participant by the Company in hard copy paper form, electronically via the Internet or through other electronic means.

(d) "Award" shall mean any Option, Stock Appreciation Right, Restricted Stock, Phantom Stock, Stock Bonus or Other Award granted pursuant to the terms of the Plan.

(e) "Board of Directors" shall mean the Board of Directors of the Company.

(f) "Business Criteria" shall mean (1) return on total stockholder equity; (2) earnings or book value per share of Company Stock; (3) net income (before or after taxes); (4) earnings before all or any interest, taxes, depreciation and/or amortization ("EBIT", "EBITA" or "EBITDA"); (5) return on assets, capital or investment; (6) market share; (7) cost reduction goals; (8) earnings from continuing operations; (9) levels of expense, costs or liabilities; (10) department, division or business unit level performance; (11) operating profit; (12) sales or revenues; (13) stock price appreciation; (14) total stockholder return; (15) implementation or completion of critical projects or processes; or (16) any combination of the foregoing. Where applicable, Business Criteria may be expressed in terms of attaining a

specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company, an Affiliate, or a department, division or strategic business unit of the Company, or may be applied to the performance of the Company relative to a market index, a group of other companies or a combination thereof, all as determined by the Committee. The Business Criteria may be subject to a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur). Each of the Business Criteria shall be determined, where applicable, in accordance with generally accepted accounting principles and shall be subject to certification by the Committee; provided that the Committee shall have the authority to make equitable adjustments to the Business Criteria in recognition of unusual or non-recurring events affecting the Company or any Affiliate or the financial statements of the Company or any Affiliate, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles.

(g) "Cause" shall mean, unless otherwise defined in the Participant's Agreement, employment agreement, senior management agreement or other written agreement describing the Participant's terms of employment with the Company, termination of the Participant's employment or service by the Company if, in the reasonable determination of the Company, the Participant (i) engages in conduct that violates written policies of the Company, (ii) fails to perform the essential functions of his or her job (except for a failure resulting from a bona fide illness or incapacity), (iii) fails to carry out the Company's reasonable directions, issued through its Chief Executive Officer**,** Board, other appropriate senior employee responsible for the Participant's business unit or area, or the Participant's supervisor, (iv) engages in embezzlement, misappropriation of corporate funds, any act of fraud, dishonesty or self-dealing, or the commission of a felony or any significant violation of any statutory or common law duty of loyalty to the Company, (v) commits an act or omission that could adversely and materially affect the Company's business or reputation or involves moral turpitude, or (vi) breaches a material provision of this Plan or the Agreement evidencing an Award.

(h) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

(i) "Committee" shall mean a committee of the Board of Directors, which shall consist of two or more persons, each of whom shall qualify as an "outside director" within the meaning of Section 162(m) of the Code, a "nonemployee director" within the meaning of Rule 16b-3 and an "independent director" within the meaning of the NASD Rule 4350(c)(1).

(j) “Company” shall mean Huron Consulting Group Inc., a Delaware corporation, and, where appropriate, each of its Affiliates.

(k) “Company Stock” shall mean the Class A common stock of the Company, par value $.01 per share (which Class A common stock will be renamed “Common Stock” pursuant to the Company’s certificate of incorporation upon a Fundamental Change, a Change of Control or immediately prior to the closing of a Qualified Public Offering (each as defined in the Company’s certificate of incorporation)).

(l) “Covered Employee” shall have the meaning set forth in Section 162(m) of the Code.

(m) “Effective Date” shall mean _____, 2004.

(n) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

(o) “Fair Market Value” of the Company Stock shall be calculated as follows: (i) if the Company Stock is listed on a national securities exchange or traded on the NASDAQ National Market or the NASDAQ SmallCap Market and sale prices are regularly reported for the Company Stock, then the Fair Market Value shall be the closing selling price for the Company Stock reported on the applicable composite tape or other comparable reporting system on the applicable date, or if the applicable date is not a trading day, on the most recent trading day immediately prior to the applicable date; or (ii) if closing selling prices are not regularly reported for the Company Stock as described in clause (i) above but bid and asked prices for the Company Stock are regularly reported, then the Fair Market Value shall be the arithmetic mean between the closing or last bid and asked prices for the Company Stock on the applicable date or, if the applicable date is not a trading day, on the most recent trading day immediately prior to the applicable date; or (iii) if prices are not regularly reported for the Company Stock as described in clause (i) or (ii) above, then the Fair Market Value shall be determined in good faith by the Committee in its sole discretion or under procedures established by the Committee, whose determination shall be conclusive and binding.

(p) “Incentive Stock Option” shall mean an Option that qualifies as an “incentive stock option” within the meaning of Section 422 of the Code, or any successor provision, and which is designated by the Committee as an Incentive Stock Option.

(q) “Nonqualified Stock Option” shall mean an Option other than an Incentive Stock Option.

(r) “Option” shall mean an option to purchase shares of Company Stock granted pursuant to Section 7 hereof.

(s) “Other Award” shall mean an Award granted pursuant to Section 12 hereof.

(t) “Participant” shall mean an employee**,** non-employee director or consultant of the Company to whom an Award is granted pursuant to the Plan.

(u) “Phantom Stock” shall mean the right, granted pursuant to Section 10 hereof, to receive in cash or shares the Fair Market Value of a share of Company Stock.

(v) “Restricted Stock” shall mean a share of Company Stock which is granted pursuant to the terms of Section 9 hereof and which is subject to restrictions as set forth in Section 9(d).

(w) “Rule 16b-3” shall mean the Rule 16b-3 promulgated under the Exchange Act, as amended from time to time.

(x) “Securities Act” shall mean the Securities Act of 1933, as amended from time to time.

(y) “Stock Appreciation Right” shall mean the right to receive, upon exercise of the right, the applicable amounts as described in Section 8 hereof.

(z) “Stock Bonus” shall mean a bonus payable in shares of Company Stock granted pursuant to Section 11 hereof.

(aa) “Subsidiary” shall mean a “subsidiary corporation” of the Company within the meaning of Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Shares Available for Awards. The maximum number of shares of Company Stock reserved for issuance under the Plan shall be 2,141,000 shares (subject to adjustment as provided herein). Such shares may be authorized but unissued shares of Company Stock or authorized and issued shares of Company Stock held in the Company’s treasury.

(b) Individual Limitation; Limitation on Certain Awards; Limitation on Incentive Stock Options. The maximum number of shares of Company Stock to which Awards relate that may be granted to any Participant during any calendar year shall not exceed 500,000 shares (subject to adjustment as provided herein). The maximum number of shares of Company Stock to which Incentive Stock Options relate that may be granted under the Plan shall be 325,000 (subject to adjustment as provided herein).

(c) Adjustment for Change in Capitalization. In the event that any dividend or other distribution is declared (whether in the form of cash, Company Stock, or other property), or there occurs any recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange or other similar corporate transaction or event, the Committee shall equitably adjust, in its sole and absolute discretion, (1) the number and kind of shares of stock which may thereafter be issued in connection with Awards, (2) the number and kind of shares of stock or other property issued or issuable in respect of outstanding Awards, (3) the exercise price, grant price or purchase price relating to any Award, and (4) the limitations set forth in Sections 3(a) and 3(b); provided that, with respect to Incentive Stock Options, such adjustment shall be made in accordance with Section 424 of the Code and any regulations thereunder.

(d) Reuse of Shares. Except to the extent that to do so would prevent the grant of Incentive Stock Options hereunder, the following shares of Company Stock shall again become available for Awards: (1) any shares subject to an Award that remain unissued upon the cancellation, surrender, exchange or termination of such Award without having been exercised or settled; (2) any shares subject to an Award that are retained by the Company as payment of the exercise price or tax withholding obligations with respect to an Award; and (3) a number of shares equal to the number of previously owned shares of Company Stock surrendered to the Company as payment of the exercise price of an Option or to satisfy tax withholding obligations with respect to an Award. In addition, (x) to the extent an Award is paid or settled in cash, the number of shares of Company Stock with respect to which such payment or settlement is made shall again be available for grants of Awards pursuant to the Plan and (y) in the event of the exercise of a Stock Appreciation Right granted in relation to an Option, the excess of the number of shares subject to the Stock Appreciation Right over the number of shares delivered upon the exercise of the Stock Appreciation Right shall again be available for grants of Awards pursuant to the Plan.

4. Administration of the Plan.

(a) General. The Plan shall be administered by the Committee. The Committee shall have the authority in its sole discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Awards; to determine the persons to whom and the time or times at which Awards

shall be granted; to determine the type and number of Awards to be granted, the number of shares of Company Stock or cash or other property to which an Award may relate and the terms, conditions, restrictions and performance criteria relating to any Award; to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered; to construe and interpret the Plan and any Award; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of Agreements; and to make all other determinations deemed necessary or advisable for the administration of the Plan. The Committee may, in its sole and absolute discretion, without amendment to the Plan, (1) accelerate the date on which any Option or Stock Appreciation Right becomes exercisable, (2) waive or amend the operation of Plan provisions respecting exercise after termination of employment (provided that the term of an Option or Stock Appreciation Right may not be extended beyond ten years from the date of grant), (3) accelerate the vesting date, or waive any condition imposed hereunder, with respect to any share of Restricted Stock, Phantom Stock, Stock Bonus or Other Award, and (4) otherwise adjust any of the terms applicable to any such Award in a manner consistent with the terms of the Plan.

(b) Indemnification. No member of the Committee (or a delegate of the Committee), and no officer of the Company, shall be liable for any action taken or omitted to be taken by such individual or by any other member of the Administrator or officer of the Company in connection with the performance of duties under this Plan, except for such individual's own willful misconduct or as expressly provided by law (the "Administrative Actions"). Further, the Committee (and all delegates of the Committee), in addition to such other rights of indemnification as they may have as members of the Board or officers of the Company or an affiliate, any individual serving as a Committee member shall be indemnified and held harmless by the Company to the fullest extent allowed by law against all costs and expenses reasonably incurred by them in connection with any action, suit or proceeding to which they or any of them may be party by reason of any Administrative Action.

(c) Awards to non-employee directors. Notwithstanding anything in the Plan to the contrary, the powers and authority of the Committee shall be exercised by the Board of Directors in the case of Awards made to non-employee directors.

5. Eligibility.

The persons who shall be eligible to receive Awards pursuant to the Plan shall be such employees of the Company (including officers of the Company, whether or not they are directors of the Company), independent contractors to the Company and non-employee directors of the Company, in each case as the Committee (or, in the case of non-employee

directors, the Board of Directors) shall select from time to time. The grant of an Award hereunder to any employee**,** non-employee director or independent contractor shall impose no obligation on the Company or any Subsidiary to continue the employment or service of a Participant and shall not lessen or affect the Company's or such Subsidiary's right to terminate the employment or service of such Participant. No Participant or other person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards, or of multiple Awards granted to a Participant. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

6. Awards Under the Plan; Agreement.

The Committee may grant Options, Stock Appreciation Rights, Restricted Stock, Phantom Stock, Stock Bonuses and Other Awards in such amounts and with such terms and conditions as the Committee shall determine, subject to the provisions of the Plan. Each Award granted under the Plan (except an unconditional Stock Bonus) shall be evidenced by an Agreement which shall contain such provisions as the Committee may in its sole discretion deem necessary or desirable and which are not in conflict with the terms of the Plan. By accepting an Award, a Participant shall be deemed to agree that the Award shall be subject to all of the terms and provisions of the Plan and the applicable Agreement.

7. Options.

(a) Identification of Options. Each Option shall be clearly identified in the applicable Agreement as either an Incentive Stock Option or a Nonqualified Stock Option. All Options shall be non-transferable, except by will or the laws of descent and distribution or except as otherwise determined by the Committee with respect to a Nonqualified Stock Option.

(b) Exercise Price. Each Agreement with respect to an Option shall set forth the amount per share (the "option exercise price") payable by the Participant to the Company upon exercise of the Option.

(c) Term and Exercise of Options.

(i) Each Option shall become exercisable at the time determined by the Committee and set forth in the applicable Agreement. At the time of grant of an Option, the Committee may impose such restrictions or conditions to the exercisability of the Option as it, in its absolute discretion, deems appropriate, including, but not limited to, achievement of performance goals based on one or more Business Criteria. Subject to Section 7(d) hereof, the Committee shall determine the expiration date of each Option, which shall be no later than the tenth anniversary of the date of grant of the Option.

(ii) An Option shall be exercised by delivering the form of notice of exercise provided by the Company. Payment for shares of Company Stock purchased upon the exercise of an Option shall be made on the effective date of such exercise by one or a combination of the following means: (A) in cash or by personal check, certified check, bank cashier's check or wire transfer; (B) in shares of Company Stock owned by the Participant for at least six months prior to the date of exercise and valued at their Fair Market Value on the effective date of such exercise; or (C) by any such other methods (including broker assisted cashless exercise via a broker selected by the Committee) as the Committee may from time to time authorize; provided, however, that in the case of a Participant who is subject to Section 16 of the Exchange Act, the method of making such payment shall be in compliance with applicable law. Any payment in shares of Company Stock shall be effected by the delivery of such shares to the Secretary of the Company or his or her designee, duly endorsed in blank or accompanied by stock powers duly executed in blank, together with any other documents and evidences as the Secretary of the Company or his or her designee shall require.

(iii) Certificates for shares of Company Stock purchased upon the exercise of an Option shall be issued in the name of or for the account of the Participant or other person entitled to receive such shares and delivered to the Participant or such other person, in a manner determined by the Committee (including via book entry), as soon as practicable following the effective date on which the Option is exercised.

(d) Provisions Relating to Incentive Stock Options. Incentive Stock Options may only be granted to employees of the Company and its Affiliates, in accordance with the provisions of Section 422 of the Code. The option exercise price for each Incentive Stock Options shall be equal to or greater than the Fair Market Value of a share of Company Stock on the date of grant. To the extent that the aggregate Fair Market Value of shares of Company Stock with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year under the Plan and any other stock option plan of the Company or a Subsidiary shall exceed $100,000, such Options shall be treated as Nonqualified Stock Options. For purposes of this Section 7(d), Fair Market Value shall be determined as of the date on which each such Incentive Stock Option is granted. No Incentive Stock Option may be granted to an individual if, at the time of the proposed grant, such individual owns (or is deemed to own under the Code) stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company unless (A) the exercise price of such Incentive Stock Option is at least 110% of the Fair Market Value of a share of

Company Stock at the time such Incentive Stock Option is granted and (B) such Incentive Stock Option is not exercisable after the expiration of five years from the date such Incentive Stock Option is granted.

(e) Effect of Termination of Employment (or Provision of Services). Unless otherwise provided by the Committee, in the event that the employment of a Participant with the Company (or the Participant's service to the Company) shall terminate for any reason other than Cause, death, disability or, retirement, (i) each Option granted to such Participant, to the extent that it is exercisable at the time of such termination, shall remain exercisable for the 90 day period following such termination, but in no event following the expiration of its term, and (ii) each Option that remains unexercisable as of the date of such a termination shall be terminated at the time of such termination. In the event that the employment of a Participant with the Company (or the Participant's service to the Company) shall terminate on account of the death, disability or, retirement of the Participant, treatment of each Option granted to such Participant that is outstanding as of the date of such termination shall be determined by the Committee, in its sole discretion. In the event that the employment of a Participant with the Company (or the Participant's service to the Company) shall terminate on account of Cause, each Option that is outstanding as of the date of such termination, whether or not then exercisable, shall be terminated at the time of such termination.

8. Stock Appreciation Rights.

(a) A Stock Appreciation Right may be granted in connection with an Option, either at the time of grant or, with respect to a Nonqualified Stock Option, at any time thereafter during the term of the Option, or may be granted unrelated to an Option. At the time of grant of a Stock Appreciation Right, the Committee may impose such restrictions or conditions to the exercisability of the Stock Appreciation Right as it, in its absolute discretion, deems appropriate, including, but not limited to, achievement of performance goals based on one or more Business Criteria. The term of a Stock Appreciation Right granted without relationship to an Option shall not exceed ten years from the date of grant.

(b) A Stock Appreciation Right related to an Option shall require the holder, upon exercise, to surrender such Option with respect to the number of shares as to which such Stock Appreciation Right is exercised, in order to receive payment of any amount computed pursuant to Section 8(d). Such Option will, to the extent surrendered, then cease to be exercisable.

(c) Subject to Section 8(h) and to such rules and restrictions as the Committee may impose, a Stock Appreciation Right granted in connection with an Option will be exercisable at such time or times, and only to the extent that a related Option is exercisable, and will not be transferable except to the extent that such related Option may be transferable.

(d) Upon the exercise of a Stock Appreciation Right related to an Option, the holder will be entitled to receive payment of an amount determined by multiplying:

(i) the excess of the Fair Market Value of a share of Company Stock on the date of exercise of such Stock Appreciation Right over the option exercise price specified in the related Option, by

(ii) the number of shares as to which such Stock Appreciation Right is exercised.

(e) A Stock Appreciation Right granted without relationship to an Option will entitle the holder, upon exercise of the Stock Appreciation Right, to receive payment of an amount determined by multiplying:

(i) the excess of (1) the Fair Market Value of a share of Company Stock on the date of exercise of such Stock Appreciation Right over (2) the greater of the Fair Market Value of a share of Company Stock on the date the Stock Appreciation Right was granted or such greater amount as may be set forth in the applicable Agreement, by

(ii) the number of shares as to which such Stock Appreciation Right is exercised.

(f) Notwithstanding subsections (d) and (e) above, the Committee may place a limitation on the amount payable upon exercise of a Stock Appreciation Right. Any such limitation must be determined as of the date of grant and noted in the applicable Agreement.

(g) Payment of the amount determined under subsections (d) and (e) above may be made solely in whole shares of Company Stock valued at their Fair Market Value on the date of exercise of the Stock Appreciation Right or alternatively, in the sole discretion of the Committee, solely in cash or a combination of cash and shares. If the Committee decides that payment will be made in shares of Company Stock, and the amount payable results in a fractional share, payment for the fractional share will be made in cash.

(h) Unless otherwise provided by the Committee, in the event that the employment of a Participant with the Company (or the Participant's service to the Company) shall terminate for any reason other than Cause, death, disability or, retirement, (i) each Stock Appreciation Right granted to such Participant, to the extent that it is exercisable at the time of such termination, shall remain exercisable for the 90 day period following such termination, but in no event following the expiration of its term, and (ii)

each Stock Appreciation Right that remains unexercisable as of the date of such a termination shall be terminated at the time of such termination. In the event that the employment of a Participant with the Company (or the Participant's service to the Company) shall terminate on account of the death, disability or, retirement of the Participant, treatment of each Stock Appreciation Right granted to such Participant that is outstanding as of the date of such termination shall be determined by the Committee, in its sole discretion. In the event that the employment of a Participant with the Company (or the Participant's service to the Company) shall terminate on account of Cause, each Stock Appreciation Right that is outstanding as of the date of such termination, whether or not then exercisable, shall be terminated at the time of such termination.

9. Restricted Stock.

(a) Price. At the time of the grant of shares of Restricted Stock, the Committee shall determine the price, if any, to be paid by the Participant for each share of Restricted Stock subject to the Award.

(b) Vesting Date. At the time of the grant of shares of Restricted Stock, the Committee shall establish a vesting date or vesting dates with respect to such shares. The Committee may divide such shares into classes and assign a different vesting date for each class. Provided that all conditions to the vesting of a share of Restricted Stock are satisfied, and subject to Section 9(h), upon the occurrence of the vesting date with respect to a share of Restricted Stock, such share shall vest and the restrictions of Section 9(d) shall lapse.

(c) Conditions to Vesting. At the time of the grant of shares of Restricted Stock, the Committee may impose such restrictions or conditions to the vesting of such shares as it, in its absolute discretion, deems appropriate, including, but not limited to, achievement of performance goals based on one or more Business Criteria. The Committee may also provide that the vesting or forfeiture of shares of Restricted Stock may be based upon the achievement of, or failure to achieve, certain levels of performance and may provide for partial vesting of Restricted Stock in the event that the maximum level of performance is not met if the minimum level of performance has been equaled or exceeded.

(d) Restrictions on Transfer Prior to Vesting. Prior to the vesting of a share of Restricted Stock, such Restricted Stock may not be transferred, assigned or otherwise disposed of, and no transfer of a Participant's rights with respect to such Restricted Stock, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Immediately upon any attempt to transfer such rights, such shares, and all of the rights related thereto, shall be forfeited by the Participant.

(e) Dividends on Restricted Stock. The Committee in its discretion may require that any dividends paid on shares of Restricted Stock be held in escrow until all restrictions on such shares have lapsed.

(f) Issuance of Certificates. The Committee may, upon such terms and conditions as it determines, provide that (1) a certificate or certificates representing the shares underlying a Restricted Stock award shall be registered in the Participant's name and bear an appropriate legend specifying that such shares are not transferable and are subject to the provisions of the Plan and the restrictions, terms and conditions set forth in the applicable Agreement, (2) such certificate or certificates shall be held in escrow by the Company on behalf of the Participant until such shares become vested or are forfeited or (3) subject to applicable law, the Participant's ownership of the Restricted Stock shall be registered by the Company in book entry form.

(g) Consequences of Vesting. Upon the vesting of a share of Restricted Stock pursuant to the terms hereof, the restrictions of Section 9(d) shall lapse with respect to such share. Following the date on which a share of Restricted Stock vests, the Company shall cause to be delivered to the Participant to whom such shares were granted, in a manner determined by the Committee (including via book entry), a certificate evidencing such shares, which may bear a restrictive legend, if the Committee determines such a legend to be appropriate.

(h) Effect of Termination of Employment (or Provision of Services). Except as may otherwise be provided in the applicable Agreement, and subject to the Committee's authority under Section 4 hereof, upon the termination of a Participant's employment (or upon cessation of such Participant's services to the Company) for any reason other than death, disability or, retirement, any and all shares to which restrictions on transferability apply shall be immediately forfeited by the Participant and transferred to, and reacquired by, the Company. In the event of a forfeiture of shares pursuant to this section, the Company shall repay to the Participant (or the Participant's estate) any amount paid by the Participant for such shares. In the event that the Company requires a return of shares, it shall also have the right to require the return of all dividends paid on such shares, whether by termination of any escrow arrangement under which such dividends are held or otherwise. In the event that the employment of a Participant with the Company (or the Participant's service to the Company) shall terminate on account of the death, disability or, retirement of the Participant, treatment of any and all shares to which restrictions on transferability apply as of the date of such termination shall be determined by the Committee, in its sole discretion.

10. Phantom Stock.

(a) Vesting Date. At the time of the grant of shares of Phantom Stock, the Committee shall establish a vesting date or vesting dates with respect to such shares. The Committee may divide such shares into classes and assign a different vesting date for each class. Provided that all conditions to the vesting of a share of Phantom Stock imposed pursuant to Section 10(c) are satisfied, and subject to Section 10(d), upon the occurrence of the Vesting Date with respect to a share of Phantom Stock, such share shall vest.

(b) Benefit Upon Vesting. Unless otherwise provided in an Agreement, upon the vesting of a share of Phantom Stock, the Participant shall be paid, within 30 days of the date on which such share vests, an amount, in cash and/or shares of Company Stock, as determined by the Committee, equal to the sum of (1) the Fair Market Value of a share of Company Stock on the date on which such share of Phantom Stock vests and (2) the aggregate amount of cash dividends paid with respect to a share of Company Stock during the period commencing on the date on which the share of Phantom Stock was granted and terminating on the date on which such share vests.

(c) Conditions to Vesting. At the time of the grant of shares of Phantom Stock, the Committee may impose such restrictions or conditions to the vesting of such shares as it, in its absolute discretion, deems appropriate, including, but not limited to, achievement of performance goals based on one or more Business Criteria.

(d) Effect of Termination of Employment (or Provision of Services). Except as may otherwise be provided in the applicable Agreement, and subject to the Committee's authority under to Section 4 hereof, upon the termination of a Participant's employment (or upon cessation of such Participant's services to the Company) for any reason other than Cause, death, disability or, retirement, any and all shares of Phantom Stock that have not vested, together with any dividends credited on such shares, shall be forfeited upon the Participant's termination of employment (or upon cessation of such Participant's services to the Company). In the event that the employment of a Participant with the Company (or the Participant's service to the Company) shall terminate on account of the death, disability or, retirement of the Participant, treatment of any and all shares of Phantom Stock shall be determined by the Committee, in its sole discretion. In the event that the employment of a Participant with the Company (or the Participant's service to the Company) shall terminate on account of Cause, any and all shares of Phantom Stock that are outstanding as of the date of such termination, whether or not then vested, shall be terminated at the time of such termination.

11. Stock Bonuses.

In the event that the Committee grants a Stock Bonus, a certificate for the shares of Company Stock constituting such Stock Bonus shall be issued in the name of the Participant to whom such grant was made and delivered to such Participant, in a manner determined by the Committee (including via book entry), as soon as practicable after the date on which such Stock Bonus is payable.

12. Other Awards.

Other forms of Awards ("Other Awards") valued in whole or in part by reference to, or otherwise based on, Company Stock may be granted either alone or in addition to other Awards under the Plan. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the persons to whom and the time or times at which such Other Awards shall be granted, the number of shares of Company Stock to be granted pursuant to such Other Awards, or the conditions to the vesting and/or payment of such Other Awards (which may include, but not be limited to, achievement of performance goals based on one or more Business Criteria) and all other terms and conditions of such Other Awards.

13. Special Provisions Regarding Certain Awards.

The Committee may make Awards hereunder to Covered Employees (or to individuals whom the Committee believes may become Covered Employees) that are intended to qualify as performance-based compensation under Section 162(m) of the Code. The exercisability and/or payment of such Awards may be subject to the achievement of performance goals based upon one or more Business Criteria and to certification of such achievement in writing by the Committee. Such performance goals shall be established in writing by the Committee not later than the time period prescribed under Section 162(m) and the regulations thereunder. All provisions of such Awards which are intended to qualify as performance-based compensation shall be construed in a manner to so comply.

14. Rights as a Stockholder.

No person shall have any rights as a stockholder with respect to any shares of Company Stock covered by or relating to any Award until the date of issuance of a stock certificate with respect to such shares. Except for adjustments provided in Section 3(c), no adjustment to any Award shall be made for dividends or other rights for which the record date occurs prior to the date such stock certificate is issued.

15. No Employment Rights; No Right to Award.

Nothing contained in the Plan or any Agreement shall confer upon any Participant any right with respect to the continuation of employment by or provision of services to the Company or interfere in any way with the right of the Company, subject to the terms of any separate agreement to the contrary, at any time to terminate such employment or service or to increase or decrease the compensation of the Participant. No person shall

have any claim or right to receive an Award hereunder. The Committee's granting of an Award to a Participant at any time shall neither require the Committee to grant any other Award to such Participant or other person at any time nor preclude the Committee from making subsequent grants to such Participant or any other person.

16. Securities Matters.

(a) Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any certificates evidencing shares of Company Stock pursuant to the Plan unless and until the Company is advised by its counsel (which may be the Company's in-house counsel) that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Company Stock are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing shares of Company Stock pursuant to the terms hereof, that the recipient of such shares make such agreements and representations, and that such certificates bear such legends, as the Committee, in its sole discretion, deems necessary or advisable.

(b) The transfer of any shares of Company Stock hereunder shall be effective only at such time as counsel to the Company (which may be the Company's in-house counsel) shall have determined that the issuance and delivery of such shares is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Company Stock are traded. The Committee may, in its sole discretion, defer the effectiveness of any transfer of shares of Company Stock hereunder in order to allow the issuance of such shares to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Committee shall inform the Participant in writing of its decision to defer the effectiveness of a transfer. During the period of such deferral in connection with the exercise of an Option, the Participant may, by written notice, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

17. Withholding Taxes.

Whenever cash is to be paid pursuant to an Award, the Company shall have the right to deduct therefrom an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto. Whenever shares of Company Stock are to be delivered pursuant to an Award, the Company shall have the right to require the Participant to remit to the Company in cash an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto. With the approval of the Committee, a Participant may satisfy the foregoing requirement by electing to have the Company withhold from delivery shares of Company Stock having a value equal to the amount of

tax required to be withheld, as determined by the Committee. Such shares shall be valued at their Fair Market Value on the date of which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Such a withholding election may be made with respect to all or any portion of the shares to be delivered pursuant to an Award.

18. Notification of Election Under Section 83(b) of the Code.

If any Participant shall, in connection with the acquisition of shares of Company Stock under the Plan, make the election permitted under Section 83(b) of the Code, such Participant shall notify the Company of such election within 10 days of filing notice of the election with the Internal Revenue Service.

19. Notification Upon Disqualifying Disposition Under Section 421(b) of the Code.

Each Agreement with respect to an Incentive Stock Option shall require the Participant to notify the Company of any disposition of shares of Company Stock issued pursuant to the exercise of such Option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), within 10 days of such disposition.

20. Amendment or Termination of the Plan.

The Board of Directors may, at any time, suspend or terminate the Plan or revise or amend it in any respect whatsoever; provided, however, that stockholder approval shall be required for any such amendment if and to the extent such approval is required in order to comply with applicable law (including, but not limited to, the incentive stock options regulations and any amendments thereto), or stock exchange or automated quotation system listing requirement. Nothing herein shall restrict the Committee's ability to exercise its discretionary authority pursuant to Sections 3 and 4, which discretion may be exercised without amendment to the Plan. No action hereunder may, without the consent of a Participant, reduce the Participant's rights under any outstanding Award.

21. Transfers Upon Death.

Upon the death of a Participant, outstanding Awards granted to such Participant may be exercised only by the executor or administrator of the Participant's estate or by a person who shall have acquired the right to such exercise by will or by the laws of descent and distribution. No transfer of an Award by will or the laws of descent and distribution shall be effective to bind the Company unless the Committee shall have been furnished with (a) written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the transfer and (b) an agreement by the transferee to comply with all the terms and conditions of the Award that are or would have been applicable to the Participant and to be bound by the acknowledgments made by the Participant in connection with the grant of the Award.

22. Transfers to Immediate Family Members

During a Participant's lifetime, the Committee may, in its sole discretion, pursuant to the provisions set forth in this Section 22, permit the transfer, assignment or other encumbrance of an outstanding Option, unless such Option is an Incentive Stock Option and the Committee and the Participant intends that it shall retain such status. Subject to the approval of the Committee and to any conditions that the Committee may prescribe, a Participant may, upon providing written notice to the Company, elect to transfer any or all Options granted to such Participant pursuant to the Plan to members of his or her immediate family, including, but not limited to, children, grandchildren and spouse or to trusts for the benefit of such immediate family members or to partnerships in which such family members are the only partners; *provided*, however, that no such transfer by any Participant may be made in exchange for consideration. Any such transferee must agree, in writing, to be bound by all provisions of the Plan.

23. Leaves of Absence.

In the case of any Participant on an approved leave of absence, the Committee may make such provisions respecting the continuance of Awards while such Participant is in the employ or service of the Company as it may deem equitable, except that in no event may any Option or Stock Appreciation Right be exercised after the expiration of its term.

24. Expenses and Receipts.

The expenses of the Plan shall be paid by the Company. Any proceeds received by the Company in connection with any Award may be used for general corporate purposes.

25. Effective Date and Term of Plan.

The Plan shall be subject to the requisite approval of the stockholders of the Company. In the absence of such approval, any Awards shall be null and void. Unless earlier terminated by the Board of Directors, the right to grant Awards under the Plan shall terminate on the tenth anniversary of the Effective Date. Awards outstanding at Plan termination shall remain in effect according to their terms and the provisions of the Plan.

26. Applicable Law.

Except to the extent preempted by any applicable federal law, the Plan shall be construed and administered in accordance with the laws of the State of Delaware without reference to its principles of conflicts of law.

27. Participant Rights.

No Participant shall have any claim to be granted any award under the Plan, and there is no obligation for uniformity of treatment for Participants.

28. Unfunded Status of Awards.

The Plan is intended to constitute an “unfunded” plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Agreement shall give any such Participant any rights that are greater than those of a general creditor of the Company.

29. No Fractional Shares.

No fractional shares of Company Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

30. Beneficiary.

A Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the executor or administrator of the Participant’s estate shall be deemed to be the Participant’s beneficiary.

31. Severability.

If any provision of the Plan is held to be invalid or unenforceable, the other provisions of the Plan shall not be affected but shall be applied as if the invalid or unenforceable provision had not been included in the Plan.

HURON CONSULTING GROUP INC.
2004 OMNIBUS STOCK PLAN
STOCK OPTION AGREEMENT

This STOCK OPTION AGREEMENT (the "Stock Option Agreement"), is made and entered into as of _____ (the "Date of Grant"), by and between Huron Consulting Group Inc., a Delaware corporation (the "Company") and _____ (the "Optionee").

WHEREAS, the Board of Directors of the Company (the "Board"), or the Compensation Committee of the Board, has approved the grant of an Option pursuant to the Huron Consulting Group Inc. 2004 Omnibus Stock Plan (the "Plan"), as hereinafter defined, to the Optionee as set forth below;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

1. Definitions. Capitalized terms which are not defined herein shall have the meaning set forth in the Plan.

2. Number of Shares and Exercise Price. The Company hereby grants to the Optionee an option (the "Option"), subject to the terms and conditions set forth herein, to purchase _____ shares of Company Stock at a price (the "Exercise Price") of $_____ per share. The Option is intended to be a Nonqualified Stock Option.

3. Term of Option and Conditions of Exercise.

(a) Term of Option. Unless the Option is earlier terminated pursuant to this Stock Option Agreement or in accordance with the terms of the Plan, the term of the Option shall commence on the Date of Grant and terminate upon the expiration of ten (10) years from the Date of Grant. Upon the termination of the Option, all rights of the Optionee hereunder shall cease.

(b) Vesting. The Option shall become vested and exercisable upon the schedule set forth on Exhibit A hereto.

4. Nontransferability of Option. Unless otherwise determined by the Committee pursuant to Section 22 of the Plan, the Option shall not be assignable or transferable otherwise than by will or by the laws of descent and distribution and the

Option may be exercised, during the lifetime of the Optionee, only by the Optionee or the Optionee's legal representative.

5. Exercise of Option. The Option may be exercised by the written notice pursuant to form provided by the Company, delivered to the Vice President of Human Resources or his or her designee, specifying the portion of the Option to be exercised and accompanied by payment therefor. The Exercise Price for any shares of Company Stock purchased pursuant to the exercise of the Option shall be paid in full upon such exercise by one or a combination of the following means: (a) in cash or by personal check, certified check, bank cashier's check or wire transfer; (b) in shares of Company Stock owned by the Optionee for at least six months prior to the date of exercise and valued at their Fair Market Value on the effective date of such exercise; or (c) by any such other methods as the Committee may from time to time authorize.

6. Undertakings by Optionee. The Optionee hereby agrees to take whatever additional actions and execute whatever additional documents the Committee may, in its discretion, deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on the Optionee pursuant to the express provisions of this Stock Option Agreement and the Plan.

7. Notices. Any notice required or permitted under this Stock Option Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to the Optionee either at the Optionee's address as last known by the Company or such other address as the Optionee may designate in writing to the Company.

8. Incorporation of Plan; Acknowledgment. The Plan is hereby incorporated herein by reference and made a part hereof, and the Option and this Stock Option Agreement are subject to all terms and conditions of the Plan. In the event of any inconsistency between the Plan and this Stock Option Agreement, the provisions of the Plan shall govern. By signing this Stock Option Agreement, the Optionee acknowledges having received and read a copy of the Plan.

9. Governing Law. This Stock Option Agreement shall be governed by and construed according to the laws of the State of Delaware, without regard to the conflicts of law rules thereof.

IN WITNESS WHEREOF, the parties hereto have executed and

delivered this Stock Option Agreement on the day and year first above written.

Huron Consulting Group Inc.
By:
Title:

[NAME]:

EXHIBIT A

Number of Shares of Common Stock	Vesting Date(s)
[NUMBER]	[DATE]
[NUMBER]	[DATE]
[NUMBER]	[DATE]
[NUMBER]	[DATE]

HURON CONSULTING GROUP INC.
2004 OMNIBUS STOCK PLAN
RESTRICTED STOCK AGREEMENT

This RESTRICTED STOCK AGREEMENT (this "Restricted Stock Agreement") is made and entered into as of _____ (the "Date of Grant"), by and between Huron Consulting Group Inc., a Delaware corporation (the "Company") and _____ (the "Recipient").

WHEREAS, the Board of Directors of the Company (the "Board"), or the Compensation Committee of the Board, has approved the grant of Restricted Stock pursuant to the Huron Consulting Group Inc. 2004 Omnibus Stock Plan (the "Plan"), as hereinafter defined, to the Recipient as set forth below;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

1. Definitions. Capitalized terms which are not defined herein shall have the meaning set forth in the Plan.

2. Grant of Restricted Stock. The Company hereby grants to the Recipient _____ restricted shares of Company Stock (the "Restricted Stock"), subject to all of the terms and conditions of this Restricted Stock Agreement. The Recipient's grant and record of share ownership shall be kept on the books of the Company, until the restrictions on transfer have lapsed pursuant to Section 3 below. Shares that have become vested pursuant to Section 3 below may be evidenced by stock certificates, at the request of the Recipient, which certificates shall be registered in the name of the Recipient and delivered to Recipient within five (5) days of such request.

3. Lapse of Restrictions. All Restricted Stock shall be unvested unless and until they become Vested Shares in accordance with this Section 3. Except as otherwise provided below, if the Participant is employed by the Company or any Subsidiary as of the applicable anniversary date set forth below, the Restricted Stock shall become "Vested Shares" according to the percentage set forth opposite such date:

Date	Cumulative Percentage Vested
[DATE]	[NUMBER]%
[DATE]	[NUMBER]%
[DATE]	[NUMBER]%

4. Restrictions on Transfer. Shares of Restricted Stock may not be transferred or otherwise disposed of by the Recipient prior to become Vested Shares, including by way of sale, assignment, transfer, pledge or otherwise except by will or the laws of descent and distribution.

5. Rights as a Stockholder. The Company shall hold in escrow all dividends, if any, that are paid with respect to the shares of Restricted Stock until all restrictions on such shares have lapsed. Recipient agrees that the right to vote any shares for which the restrictions on transfer set forth in Section 3 hereof have not yet lapsed (the "Unvested Shares") will be held by the Company and, accordingly, shall execute an irrevocable proxy in favor of the Company for all shares of Restricted Stock in the form supplied by the Company.

6. Notices. Any notice required or permitted under this Restricted Stock Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to the Recipient either at the Recipient's address as last known by the Company or such other address as the Recipient may designate in writing to the Company.

7. Securities Laws Requirements. The Company shall not be obligated to transfer any shares of Company common stock from the Recipient to another party, if such transfer, in the opinion of counsel for the Company, would violate the Securities Act of 1933, as amended from time to time (or any other federal or state statutes having similar requirements as may be in effect at that time). Further, the Company may require as a condition of transfer of any shares to the Recipient that the Recipient furnish a written representation that he or she is holding the shares for investment and not with a view to resale or distribution to the public.

8. Protections Against Violations of Restricted Stock Agreement. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the shares of Restricted Stock by any holder thereof in violation of the provisions of this Restricted Stock Agreement

or the Certificate of Incorporation or the By-Laws of the Company, shall be valid, and the Company will not transfer any of said shares of Restricted Stock on its books nor will any of said shares of Restricted Stock be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with said provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce said provisions.

9. Taxes. The Recipient understands that he or she (and not the Company) shall be responsible for any tax obligation that may arise as a result of the transactions contemplated by this Restricted Stock Agreement and shall pay to the Company the amount determined by the Company to be such tax obligation at the time such tax obligation arises. If the Recipient fails to make such payment, the number of shares necessary to satisfy the tax obligations shall be forfeited. The Recipient shall promptly notify the Company of any election made pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

THE RECIPIENT ACKNOWLEDGES THAT IT IS THE RECIPIENT'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO FILE TIMELY THE ELECTION UNDER SECTION 83(b) OF THE CODE, IN THE EVENT THAT THE RECIPIENT DESIRES TO MAKE THE ELECTION.

10. Legend. The Company's Secretary shall, or shall instruct the Company's transfer agent to, provide stop transfer instructions in the Company's stock records to prevent any transfer of the Restricted Stock for any purpose until the stock is vested. Any certificate that the Secretary or the transfer agent deems necessary to issue to represent shares of Restricted Stock shall, until all restrictions lapse and new certificates are issued, bear the following legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN VESTING REQUIREMENTS AND MAY BE SUBJECT TO REACQUISITION BY THE COMPANY UNDER THE TERMS OF THAT CERTAIN RESTRICTED STOCK AGREEMENT BY AND BETWEEN HURON CONSULTING GROUP INC. (THE "COMPANY") AND THE HOLDER OF THE SECURITIES. PRIOR TO VESTING OF OWNERSHIP IN THE SECURITIES, THEY MAY NOT BE,

DIRECTLY OR INDIRECTLY, OFFERED, TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNDER ANY CIRCUMSTANCES. COPIES OF THE ABOVE REFERENCED AGREEMENT ARE ON FILE AT THE OFFICES OF THE COMPANY AT 550 WEST VAN BUREN STREET, CHICAGO, ILLINOIS 60607.

11. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Restricted Stock Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

12. Governing Law. This Restricted Stock Agreement shall be governed by and construed according to the laws of the State of Delaware without regard to its principles of conflict of laws.

13. Amendments. Except as otherwise provide in Section 17, this Restricted Stock Agreement may be amended or modified at any time only by an instrument in writing signed by each of the parties hereto.

14. Survival of Terms. This Restricted Stock Agreement shall apply to and bind the Recipient and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

15. Agreement Not a Contract for Services. Neither the grant of Restricted Stock, this Restricted Stock Agreement nor any other action taken pursuant to this Restricted Stock Agreement shall constitute or be evidence of any agreement or understanding, express or implied, that the Recipient has a right to continue to provide services as an officer, director, employee or consultant of the Company for any period of time or at any specific rate of compensation.

16. Severability. If a provision of this Restricted Stock Agreement is held invalid by a court of competent jurisdiction, the remaining provisions will nonetheless be enforceable according to their terms. Further, if any provision is held to be over broad as written, that provision shall be amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and enforced as amended.

17. Plan. The Restricted Stock is granted pursuant to the Plan, and the Restricted Stock and this Restricted Stock Agreement are in all respects governed by the Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Restricted Stock Agreement by reference or are expressly cited.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Restricted Stock Agreement on the day and year first above written.

Huron Consulting Group Inc.
By:
Title:

[NAME]:

IRREVOCABLE PROXY

I, the undersigned, hereby irrevocably authorize and empower _____ (the "Proxy") to represent me with respect of any and all Unvested Shares (as such term is defined in the Restricted Stock Agreement (the "Restricted Stock Agreement") by and between Huron Consulting Group Inc. (the "Company") and [_____], at any and all general meetings of the shareholders of the Company.

The Proxy is irrevocably authorized and empowered to receive, in my stead, any and all notices of and invitations to the Company's general meetings, and to participate in all such general meetings; and the Proxy is authorized and empowered to vote all such Unvested Shares in such manner as the Proxy shall, in the Proxy's sole discretion, deem to be in the best interests of the Company.

This proxy shall remain in full force and effect until the shares of Restricted Stock granted to me pursuant to the Restricted Stock Agreement have vested in accordance with the terms of the Restricted Stock Agreement, unless otherwise determined by the Company.

NAME: _____

DATE: _____

SIGNATURE: _____

Exhibit 10.20

HURON CONSULTING GROUP INC.

REGISTRATION RIGHTS AGREEMENT

by and between

HCG Holdings LLC

and Huron Consulting Group Inc.

Dated as of _____, 2004

HURON CONSULTING GROUP INC.
REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (as amended from time to time, this "Agreement"), dated as of _____, 2004, by and between Huron Consulting Group Inc., a Delaware corporation (the "Company") and HCG Holdings LLC, a Delaware limited liability company (the "Stockholder").

W I T N E S S E T H:

WHEREAS, the parties hereto wish to enter into this Registration Rights Agreement to memorialize their agreement regarding registration rights with respect to the Company.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. The following terms when used in this Agreement shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Agreement" shall have the meaning provided in the Introduction.

"Commission" shall mean the Securities and Exchange Commission.

"Common Stock" shall mean the common stock, par value $.01 per share of the Company.

"Company" shall have the meaning provided in the Introduction.

"Demand Registration" shall have the meaning provided in Section 2.1.

"Effectiveness Period" shall have the meaning provided in Section 3.2(a).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Form S-3" shall have the meaning provided in Section 3.1.

"IPO" shall mean the initial public offering of Common Stock by the Company.

"Lock Up Period" shall have the meaning provided in Section 5.1.

"Person" shall mean any natural person, corporation, firm, limited liability company, partnership, association, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity.

"Piggyback Registration" shall have the meaning provided in Section 4.1.

"Prospectus" shall mean the prospectus included in any registration statement, as amended or supplemented by any prospectus supplement with respect of the terms of the offering of any security of the Company covered by such registration statement and all other amendments or supplements to the prospectus, including post effective amendments, and all material incorporated, or deemed to be incorporated, by reference in such prospectus.

"Registrable Securities" shall mean (i) any shares of Common Stock of the Company owned by the Stockholder upon the IPO; and (ii) any equity securities of the Company issued or issuable with respect to the Common Stock referred to in clause (i) by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, reclassification, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when they have been distributed to the public pursuant to an offering registered under the Securities Act or sold to the public through a broker, dealer or market maker in compliance with Rule 144 (or any similar rule then in force). For purposes of this Agreement, a Person shall be deemed to be a holder of Registrable Securities whenever the Person has the right to acquire, directly or indirectly, the Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not the acquisition has actually been effected.

"Registration" shall have the meaning provided in Section 2.1.

"Registration Expenses" shall have the meaning provided in Section 7.1.

"Resale Registration" shall have the meaning provided in Section 3.1.

"Rule 144" shall mean Rule 144 promulgated under the Securities Act.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Restricted Shares Agreement" shall mean that certain Restricted Shares Award Agreement, dated as of December 10, 2002, among the Company, Huron Consulting Group LLC, a Delaware limited liability company, the Stockholder and Gary E. Holdren.

"Suspension Period" shall have the meaning provided in Section 3.3.

"Underwriting Agreement" shall mean that certain Underwriting Agreement, dated _____, 2004, by and among the Company, the Stockholder and UBS Securities LLC, Deutsche Bank Securities Inc. and William Blair & Company, L.L.C., as representatives of the several underwriters named therein.

ARTICLE II

DEMAND REGISTRATIONS

2.1 Requests for Registration. Subject to the terms and conditions hereof, at any time after the expiration of the lock-up period set forth in Section 6(e) of the Underwriting Agreement (or earlier if waived) and until the Stockholder ceases to own 10% of the Company's issued and outstanding common stock, if the Stockholder requests in writing registration under the Securities Act of any of its Registrable Securities (a "Registration"), which request specifies the approximate number of Registrable Securities requested to be registered, then within ten days after receipt of any such request, the Company shall give written notice of such requested Registration to all other holders of Registrable Securities and shall include in the Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the date of mailing of the Company's notice. The Registration requested pursuant to this Section 2.1 is referred to herein as a "Demand Registration".

2.2 Registration. The Stockholder, together with any transferee of the Stockholder, shall be entitled to not more than six Demand Registrations, in the aggregate. Subject to the limitations set forth in this Section 2.2 and in Section 2.4, no more than one Demand Registration may be requested in any six-month period. The Company shall pay all Registration Expenses in connection with each Demand Registration. No request for a Demand Registration shall be permitted unless the Registrable Securities sought to be included in such Demand Registration have an expected market value of at least $20 million. A Registration shall not count as a Demand Registration until it has become effective, and any Registration shall not count as a Demand Registration unless the initiating holder or holders of Registrable Securities are able to register and sell at least 70% of the Registrable Securities requested to be included in such Registration.

2.3 Priority on Demand Registrations. The Company shall not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the Stockholder. If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering, exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to the Stockholder, the Company shall include in the Registration, prior to the inclusion of any securities which are not Registrable Securities, the number of Registrable Securities requested to be included which, in the opinion of the underwriters, can be sold in an orderly manner within the price range of the offering, pro rata (or as may have been agreed among the holders of Registrable Securities) among the respective holders thereof on the basis of the amount of Registrable Securities requested

to be registered by each such holder; provided that if the number of Registrable Securities to be included in the registration is less than 85% of the number requested to be so included, the holders of Registrable Securities covered by such Demand Registration shall be entitled to withdraw such request, upon the affirmative vote of holders holding 66% of such Registrable Securities, and, if such request is withdrawn, the Demand Registration shall not count as a permitted Demand Registration hereunder, and the Company shall pay all Registration Expenses in connection with the withdrawn Registration. Any Persons (other than holders of Registrable Securities) who participate in Demand Registrations which are not at the Company's expense must pay their share of the Registration Expenses as provided in Article VII.

2.4 Restrictions on Registrations. The Company shall not be obligated to effect any Demand Registration within six months after the effective date of a Registration demanded by the holders of registration rights under a Registration in which the holders of Registrable Securities were given piggyback rights pursuant to Article IV and in which there was no reduction in the number of Registrable Securities requested to be included. Notwithstanding anything in this Article II to the contrary, if any request for a Demand Registration is delivered at a time when the Company has determined or is currently planning (and has discussed with its Board of Directors its plan) to file a registration statement with respect to an underwritten primary Registration of the Company's common stock on behalf of the Company (so long as a registration statement is filed with respect thereto within one month of such request for the Demand Registration), the Company may require the holders of the Registrable Securities requesting such Demand Registration to postpone such request until the expiration of the 90-day period following the effective date of such Registration. The Company may, not more than twice in any 12-month period, postpone for up to 90 days the filing or the effectiveness of a registration statement for a Demand Registration if the Board of Directors of the Company determines in good faith that it is reasonably foreseeable that the Demand Registration or disclosure of information required by or related to the Demand Registration could materially and adversely impact the Company; provided, that in such event, the holders of Registrable Securities covered by the Demand Registration shall be entitled, upon the affirmative vote of holders holding 66% of such Registrable Securities, to withdraw such request and, if such request is withdrawn, the Demand Registration shall not count as a permitted Demand Registration hereunder, and the Company shall pay all Registration Expenses in connection with the withdrawn Registration; provided further, that upon the election of the Company and upon notice to the Stockholder, one such postponement or suspension may be extended to not more than 120 days at the sole discretion of the Company.

2.5 Selection of Underwriters. In connection with a Demand Registration, the Stockholder shall have the right to select the investment banker(s) and manager(s) to administer the offering; provided, however, that such selection shall be subject to the consent of the Company, which consent shall not be unreasonably withheld or delayed.

ARTICLE III

RESALE REGISTRATIONS

3.1 Requests for Registration. Subject to Section 3.3, and further subject to the availability of a registration statement on Form S-3 ("Form S-3") to the Company, the Company shall, upon the written request from the Stockholder, agree to register some or all of the Stockholder's Registrable Securities, file with the Commission a registration statement on Form S-3 providing for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act relating to the offer and sale of the Registrable Securities by the Stockholder and, thereafter, shall use its reasonable best efforts to cause such registration statement to be declared effective under the Securities Act as soon as reasonably practicable after the filing thereof. Within ten days after receipt of any such request, the Company shall give written notice of such requested Registration to all other holders of Registrable Securities and shall include in such Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the receipt of the Company's notice; provided, however, that no holder of Registrable Securities shall be entitled to have the Registrable Securities held by it covered by such registration statement unless such holder has made a written request, which request specifies the approximate number of Registrable Securities requested to be registered. The Registration requested pursuant to this Section 3.1 is referred to herein as a "Resale Registration". Each holder of Registrable Securities shall be entitled to an unlimited number of Resale Registrations so long as it is an affiliate (as such term is used in the Securities Act) of the Company; provided, that the Company shall not be required to effect more than two Resale Registrations within any twelve-month period; provided, further, that the Company agrees to deregister any Registrable Securities included in a Resale Registration if so requested by any holder of such Registrable Securities.

3.2 Period of Effectiveness. Subject to Section 3.3, the Company shall use its reasonable best efforts:

(a) to keep a registration statement for the Resale Registration continuously effective in order to permit the Prospectus forming part thereof to be usable by the holders of Registrable Securities covered thereby for a period of two years after the Resale Registration is declared effective or such shorter period that will terminate when there are no Registrable Securities outstanding (in either case, such period being referred to herein as the "Effectiveness Period"); and

(b) after the registration statement for the Resale Registration has become effective, promptly upon the request of the Stockholder or a transferee of the Stockholder, if all of such holder's Registrable Securities are not covered thereby, to take any action reasonably necessary to enable such holder to use the Prospectus forming a part thereof for offers and resales of Registrable Securities, including, without limitation, any action reasonably necessary to identify such holder as a selling securityholder in the Resale Registration.

3.3 Temporary Suspensions of a Resale Registration. Notwithstanding anything to the contrary contained in this Agreement, the Company shall be entitled, from time to time by providing written notice to the holders, to require the holders to suspend the use of the Prospectus for sales of Registrable Securities under the Resale Registration for a reasonable period of time not to exceed 90 days and not more than twice in any twelve-month period (a "Suspension Period") if the Board of Directors of the Company determines in good faith that it is reasonably foreseeable that the disclosure of information required by or related to the Resale Registration could materially and adversely impact the Company; provided that upon the election of the Company and upon notice to the Stockholder, one such postponement or suspension may be extended to not more than 120 days at the sole discretion of the Company. Immediately upon receipt of such notice, the holders of Registrable Securities covered by the Resale Registration shall suspend the use of the Prospectus until requisite changes to the Prospectus have been made as required below. Any Suspension Period shall terminate at such time as the public disclosure of such information. After the expiration of any Suspension Period and without any further request from the holders of Registrable Securities, the Company shall as promptly as reasonably practicable prepare a post-effective amendment or supplement to the registration statement for the Resale Registration or the Prospectus, or any document incorporated therein by reference, or file any other required document so that, as thereafter delivered to purchasers of the Registrable Securities included therein, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

3.4 Resale Registration Expenses. The Company shall pay all Registration Expenses of the holders of Registrable Securities in connection with all Resale Registrations.

ARTICLE IV

PIGGYBACK REGISTRATIONS

4.1 Right to Piggyback. Subject to the terms and conditions hereof, whenever the Company proposes to register (including for this purpose a Registration effected by the Company for shareholders other than holders of Registrable Securities) any of its securities under the Securities Act (other than (i) a Registration under Articles II and III hereof, (ii) a Registration of securities solely relating to an offering and sale pursuant to any employee stock plan or other employee benefit plan arrangement, including any registration on Form S-8 (or any successor form thereto) or (iii) a Registration of securities issued solely in an acquisition or business combination including any Registration on Form S-4 (or any successor form thereto)) (a "Piggyback Registration"), the Company shall give at least 20 days' written notice to all holders of Registrable Securities of the Company's intention to effect such a Registration and shall include in the Registration, subject to any agreement among the holders of Registrable Securities, all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after the receipt of the Company's notice.

4.2 Piggyback Expenses. The Registration Expenses of the holders of Registrable Securities shall be paid by the Company in all Piggyback Registrations.

4.3 Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary Registration on behalf of the Company and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such Registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Company, the Company shall include in such Registration (i) first, the securities the Company proposes to sell, (ii) second, the Registrable Securities requested to be included in the Registration and any securities requested to be included in the Registration pursuant to the registration rights previously granted pursuant to the Restricted Shares Agreement, pro rata among the holders of such Registrable Securities and the holder under the Restricted Share Agreement on the basis of the number of shares proposed to be registered by each, (iii) third, securities requested to be included in the Registration pursuant to registration rights granted by the Company after the date hereof, pro rata among the holders of such other securities on the basis of the number of shares requested to be registered by each such holder, and (iii) fourth, such other securities requested to be included in the Registration.

4.4 Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary Registration on behalf of holders of the Company's securities and the managing underwriters advise the Company in writing that, in their opinion, the number of securities requested to be included in the Registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the holders initially requesting the Registration, the Company shall include in such Registration (i) first, the Registrable Securities requested to be included in the Registration, (ii) second, the securities requested to be included therein by the holders requesting such Registration, (iii) third, any securities requested to be included in the Registration pursuant to the registration rights previously granted pursuant to the Restricted Shares Agreement and any securities requested to be included in the Registration pursuant to registration rights granted by the Company after the date hereof, pro rata among the holder under the Restricted Share Agreement and the holders of such other securities on the basis of the number of shares requested to be registered by each such holder, and (iv) fourth, other securities requested to be included in such Registration.

4.5 Selection of Underwriters. If any Piggyback Registration is an underwritten offering, the Company shall select the investment banker(s) and manager(s) to administer the offering.

4.6 Other Registrations. Unless otherwise agreed to by Stockholder, if the Company has previously filed a registration statement with respect to Registrable Securities pursuant to Article II or pursuant to this Article IV, and if such previous Registration has not been withdrawn or abandoned, the Company shall not file or cause to be effected any other Registration of any of its equity securities or securities convertible or exchangeable into or exercisable for its equity securities (except on Form S-4 or Form S-8 or any successor or similar forms or any registration statement covering

only securities proposed to be issued in exchange for securities or assets of another corporation), whether on its own behalf or at the request of any holder or holders of such securities, until a period of at least six months has elapsed from the effective date of the previous Registration.

ARTICLE V

LOCK UP AGREEMENTS

5.1 In General. Each holder of Registrable Securities agrees not to effect any public sale or distribution (including sales pursuant to Rule 144) of equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, during a period of up to 90 days (as may be requested by the Company and the managing underwriters) following any underwritten, registered public offering of Company common stock (such period being the "Lockup Period"), beginning on the effective date of such underwritten, registered offering (except for sales of such securities as part of such underwritten, registered offering), unless the managing underwriters otherwise agree. The foregoing provisions of this Section 5.1 shall not apply unless all directors and executive officers of the Company enter into substantially similar arrangements.

5.2 Effect on Company. The Company agrees (i) not to effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the period of up to 90 days, as required by the managing underwriters, beginning on the effective date of any underwritten Registration (except as part of such underwritten Registration or pursuant to Registrations on Form S-4 or Form S-8 or any successor or similar forms or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another corporation), unless the managing underwriters otherwise agree, and (ii) if requested by the managing underwriters, to use reasonable efforts to cause each director and executive officer to agree not to effect any public sale or distribution (including sales pursuant to Rule 144) of any such securities during such period (except as part of such underwritten registration, if otherwise permitted), unless the managing underwriters otherwise agree.

ARTICLE VI

REGISTRATION PROCEDURES

6.1 Registration Procedures. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company shall use its best efforts to effect the Registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible:

(a) Prepare and, in the case of a Demand Registration or Resale Registration, no later than 45 days after a request for a Demand Registration or Resale

Registration, file with the Commission a registration statement with respect to such Registrable Securities and use its best efforts to cause the registration statement to become effective and remain effective until the earlier of (i) the date when all Registrable Securities covered by the registration statement have been sold, or (ii) other than in the case of a Resale Registration, 180 days from the effective date of the registration statement; provided, that before filing a registration statement or Prospectus or any amendments or supplements thereto, the Company shall furnish to the counsel selected by the Stockholder copies of all such documents proposed to be filed, to the extent specifically requested by such counsel, including documents that are to be incorporated by reference into the registration statement, amendment or supplement, which documents shall be subject to the review of such counsel, and which proposed registration statement or amendment or supplement thereto shall not be filed by the Company if the Stockholder reasonably objects to such filing; and provided further, that the period for the preparation and filing of a Demand Registration or Resale Registration shall be 90 days if a request for a Demand Registration or Resale Registration is made in the first 45 days of any year, and the Company cannot file such Demand Registration or Resale Registration without audited financial statements for the prior calendar year under the rules of the Commission;

(b) Prepare and file with the Commission such amendments and supplements to the registration statement and the Prospectus used in connection therewith as may be necessary to keep the registration statement effective for the period referred to in Section 6.1(a) or Section 3.2, as applicable, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the registration statement during such period in accordance with the intended methods of disposition by the sellers thereof as set forth in the registration statement;

(c) Furnish to each seller of Registrable Securities such number of copies of the registration statement, each amendment and supplement thereto, the Prospectus included in the registration statement (including each preliminary prospectus) and such other documents as such holder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such holder;

(d) Use commercially reasonable efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any holder thereof reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such holder; provided, however, that the Company shall not be required to qualify to do business or file a general consent to service of process in any such jurisdiction;

(e) Notify each holder of such Registrable Securities, at any time when a Prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of any such holder, the Company shall prepare a supplement or amendment to the Prospectus so that,

as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus shall not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading;

(f) Promptly notify the holders of such Registrable Securities and the underwriters, if any, of the following events and (if requested by any such Persons) confirm such notification in writing: (i) the filing of the Prospectus or any prospectus supplement and the registration statement and any amendment or post-effective amendment thereto and, with respect to the registration statement or any post-effective amendment thereto, the declaration of the effectiveness of such document; (ii) any written comments by the Commission or any requests by the Commission for amendments or supplements to the registration statement or the Prospectus or for additional information; (iii) the issuance or threat of issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose; and (iv) the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threat of initiation of any proceeding for such purpose;

(g) Cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and, if not so listed, to be listed on the NASD automated quotation system and, if listed on the NASD automated quotation system, use its best efforts to secure designation of all such Registrable Securities covered by the registration statement as a NASDAQ “national market system security” within the meaning of Rule 11Aa2-1 of the Commission or, failing that, to secure NASDAQ authorization for such Registrable Securities and, without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with the NASD;

(h) Provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(i) Enter into such customary agreements (including, without limitation, underwriting agreements in customary form) and take all such other actions as the Stockholder or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(j) Make available for inspection by the Stockholder, any underwriter participating in any disposition pursuant to the registration statement and any attorney, accountant or other agent retained by the Stockholder or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company’s officers, directors, employees and independent accountants to supply all information reasonably requested by the Stockholder, underwriter, attorney, accountant or agent in connection with the registration statement;

(k) Otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months

beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 1l(a) of the Securities Act and Rule 158 thereunder;

(l) Make every reasonable effort to prevent the entry of any order suspending the effectiveness of the registration statement and, in the event of the issuance of any such stop order, or of any order suspending or preventing the use of any related Prospectus or suspending the qualification of any security included in such registration statement for sale in any jurisdiction, the Company shall use its best efforts promptly to obtain the withdrawal of such order;

(m) Use its best efforts to cause such Registrable Securities covered by the registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the holders thereof to consummate the disposition of such Registrable Securities;

(n) Cooperate with the selling holders of Registrable Securities and the underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends, and enable such Registrable Securities to be in such lots and registered in such names as the underwriters may request at least two business days prior to any delivery of Registrable Securities to the underwriters;

(o) Make available, on a reasonable basis, senior management personnel of the Company to participate in, and cause them to cooperate with the selling holders of Registrable Securities or the managing underwriter in any underwritten offering in connection with "road show" and other customary marketing activities, including "one on one" meetings with prospective purchasers of the Registrable Securities to be sold in the underwritten offering and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto, in each case to the same extent as if the Company were engaged in a primary registered offering of its capital stock;

(p) Provide a CUSIP number for all Registrable Securities not later than the effective date of the registration statement; and

(q) In connection with an underwritten offering, (i) make such representations and warranties to the selling holders of such Registrable Securities and the underwriters with respect to the Registrable Securities and the registration statement as are customarily made by issuers to underwriters in primary underwritten offerings, (ii) obtain opinions of counsel to the Company and updates thereof (which counsel and which opinions shall be reasonably satisfactory to the underwriters and to the Stockholders) addressed to each selling holder and the underwriters covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by the Stockholders and underwriters or their counsel, (iii) obtain "cold comfort" letters and updates thereof from the Company's independent certified public accountants addressed to the selling holders of Registrable

Securities and the underwriters, such letters to be in customary form and cover matters of the type customarily covered in "cold comfort" letters by underwriters in connection with primary underwritten offerings, and (iv) deliver such documents and certificates as may be reasonably requested by the Stockholder and by the underwriters to evidence compliance with clause (i) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company.

ARTICLE VII

REGISTRATION EXPENSES

7.1 In General. All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation, all Registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding discounts and commissions and transfer taxes, if any, attributable to the sale of Registrable Securities) and other Persons retained by the Company (all such expenses being herein called "Registration Expenses"), shall be borne by the Company, and the Company shall pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed or on the NASD automated quotation system.

7.2 Reimbursement by the Company. In connection with each Registration, the Company shall reimburse the holders of Registrable Securities covered by such Registration for the reasonable fees and disbursements of one counsel chosen by the holders of a majority of the Registrable Securities covered by such Registration.

7.3 Obligations of the Holders of Securities. To the extent Registration Expenses are not required to be paid by the Company, each holder of securities included in any Registration hereunder shall pay those Registration Expenses allocable to the registration of such holder's securities so included, and any Registration Expenses not so allocable shall be borne by all sellers of securities included in the Registration in proportion to the aggregate selling price of the securities to be so registered.

ARTICLE VIII

INDEMNIFICATION

8.1 In General. In connection with any registration pursuant hereto, the Company agrees to indemnify, to the fullest extent permitted by law, each holder of Registrable Securities, its affiliates and their respective officers, directors, employees and agents, as the case may be, and each Person who controls the holder (within the meaning

of the Securities Act), against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement, Prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such holder expressly for use therein as provided in Section 8.2 below. In connection with an underwritten offering, the Company shall indemnify the underwriters, their officers, directors and partners, as the case may be, and each Person who controls the underwriters (within the meaning of the Securities Act), to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

8.2 Information from the Holders. In connection with any registration statement in which a holder of Registrable Securities is participating pursuant to this Agreement, each holder shall furnish to the Company in writing information regarding such holder, the Registrable Securities and the intended distribution thereof for use in connection with any such registration statement or Prospectus and as shall be reasonably required in connection with any Registration, qualification or compliance required in connection with this Agreement and, to the fullest extent permitted by law, shall indemnify the Company, its directors and officers and each Person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, Prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit furnished in writing by the holder specifically stating that it has been provided for inclusion in the registration statement and not corrected in a subsequent writing prior to the sale of the Registrable Securities; provided, that the obligation to indemnify shall be individual to each holder and shall be limited to the net amount of proceeds received by the holder from the sale of Registrable Securities pursuant to the registration statement.

8.3 Notice of Claim. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in the indemnified party's reasonable judgment a conflict of interest between the indemnified and the indemnifying parties may exist with respect to such claim, permit the indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by the indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party, a conflict of interest may exist between the indemnified party and any other of such indemnified parties with respect to such claim.

8.4 Survival of Indemnification. The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of securities.

8.5 Contribution. The Stockholder and the Company agree that if, for any reason, the indemnification provisions contemplated by Section 8.1 are unavailable to or are insufficient to hold harmless any indemnified party in respect of all expenses, claims, losses, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of all such expenses, claims, losses, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of, and benefits derived by, the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 8.5 were determined (i) by pro rata allocation (even if the Stockholder or any agents for, or underwriters of, the Registrable Securities, or all of them, were treated as one entity for such purpose); or (ii) by any other method of allocation which does not take account of the equitable considerations referred to in this Section 8.5. The amount paid or payable by an indemnified party as a result of the expenses, claims, losses, damages or liabilities (or actions in respect thereof) referred to above shall be deemed to include (subject to any limitations set forth thereon) any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action, proceeding or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Notwithstanding the foregoing, the obligation for contribution hereunder shall be individual to each holder and shall be limited to the net amount of proceeds received by the holder from such sale of Registrable Securities pursuant to the registration statement.

ARTICLE IX

PARTICIPATION IN UNDERWRITTEN REGISTRATIONS

9.1 Participation in Underwritten Registrations. No Person may participate in any Registration hereunder which is underwritten unless the Person (a) agrees to accept the terms of the underwriting agreement as agreed upon by the Company and the underwriters selected in accordance with this Agreement, and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided, however, that this Article IX will not require any holder of Registrable

Securities to agree to any lock up agreement or market standoff agreement other than those permitted by Section 5.1 hereof and that no holder of Registrable Securities included in any underwritten registration shall be required to (i) make any representations or warranties to the Company or the underwriters other than representations and warranties regarding the holder and the holder's intended method of distribution or (ii) provide any indemnification other than as provided in Section 8.2.

ARTICLE X

REPORTS UNDER THE SECURITIES LAWS

10.1 Reports Under the Securities Laws. With a view to making available to the holders of Registrable Securities the benefits of Rule 144 and any other rule or regulation of the Commission that may at any time permit the holder to sell securities of the Company to the public without Registration, the Company agrees to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144, at all times subsequent to 90 days after the effective date of any registration statement covering an underwritten public offering filed under the Securities Act by the Company;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at any time after it is subject to such reporting requirements; and

(c) Furnish to any holder so long as the holder owns any of the Registrable Securities forthwith upon request a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after 90 days after the effective date of the registration statement filed by the Company), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed by the Company as may be reasonably requested by any holder in availing itself of any rule or regulation of the Commission permitting the selling of any the securities without Registration.

ARTICLE XI

CERTAIN LIMITATIONS IN CONNECTION WITH FUTURE GRANTS OF REGISTRATION RIGHTS

11.1 Certain Limitations in Connection with Future Grants of Registration Rights. From and after the date of this Agreement and until the six Demand Registrations provided for in Article II have been completed, together with any transferee of the Stockholder, has exercised, the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company providing for the granting to the holder of registration rights which:

(a) grants any registration rights to any Person that are superior in any respect to those granted thereunder;

(b) is otherwise inconsistent with the rights granted to the holders of Registrable Securities in this Agreement; and

(c) does not provide that the Stockholder has priority over such new holders of securities of the Company in any subsequent registration statement.

ARTICLE XII

TRANSFER OF REGISTRATION RIGHTS

12.1 Transfer of Registration Rights. Provided that the Company is given prompt written notice by the holder of Registrable Securities of any transfer of Registrable Securities by such holder stating the name and address of the transferee of such Registrable Securities and identifying the securities with respect to which the rights under this Agreement are being assigned and such transferee agrees in writing to be bound by the terms and conditions of this Agreement, the rights of the holder of Registrable Securities under this Agreement may be transferred in whole or in part at any time to any such transferee, so long as such transfer of securities is in accordance with all applicable state and federal securities laws and regulations. The Company shall be responsible for the Registration Expenses of any transferee or assignee pursuant to this Section 12.1 to the same extent as the original transferor.

ARTICLE XIII

INFORMATION BY HOLDERS OF REGISTRABLE SECURITIES

13.1 Reporting of Sales. Each holder of Registrable Securities shall report to the Company sales made pursuant to any Registration of such Registrable Securities.

ARTICLE XIV

MISCELLANEOUS

14.1 Notices. Any notice, demand, offer, or other instrument required or permitted to be given pursuant to this Agreement shall be in writing signed by the party giving such notice and shall, to the extent reasonably practicable, be sent by telecopy (with confirmation of receipt), and if not reasonably practicable to send by telecopy, then by hand delivery, overnight courier, telegram or certified mail (return receipt requested), to the other parties at the addresses set forth below or, if that address is not listed below, at the address contained in the member records of the Company:

If to the Company:

Huron Consulting Group Inc.
550 West Van Buren Street
Chicago, Illinois 60607
Attention: General Counsel
Facsimile: (312) 880-3250

If to the Stockholder:

HCG Holdings LLC
c/o Lake Capital Management LLC
676 North Michigan Avenue
Suite 3900
Chicago, Illinois 60611
Attention: Paul Yovovich
Facsimile: (312) 640 7065

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive
Chicago, Illinois 60006
Attention: Kimberly A. deBeers
Facsimile: (312) 407-0411

Each party may change the place to which notice shall be sent or delivered or specify one additional address to which copies of notices may be sent, in either case by similar notice sent or delivered in like manner to the other parties. Without limiting any other means by which a party may be able to prove that a notice has been received by the other party, a notice shall be deemed to be duly received: (a) if sent by hand, overnight courier or telegram, the date when duly delivered at the address of the recipient; (b) if sent by certified mail, the date of the return receipt; or (c) if sent by telecopy, upon receipt by the sender of an acknowledgment or transmission report generated by the machine from which the telecopy was sent indicating that the telecopy was sent in its entirety to the recipient's telecopy number.

14.2 Captions. Titles or captions of Sections or Articles contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

14.3 Amendment. This Agreement may not be amended, modified or waived except by an instrument in writing signed by the Company and the parties hereto.

14.4 Waiver. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or as a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

14.5 Survival. The several indemnities, agreements, representations, warranties and each other provision set forth in this Agreement and made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any party, any director or officer of such party, or any controlling person of any of the foregoing, and shall survive the transfer of any Registrable Securities, and the indemnification and contribution provisions set forth in Article VIII shall survive termination of this Agreement.

14.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

14.7 Entire Agreement; Assignment. This Agreement and any agreement, document or schedule attached hereto or thereto or referred to herein or therein, constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, of the parties with respect to the subject matter hereof. Any oral representations or modifications concerning this instrument shall be of no force or effect unless contained in a subsequent written modification signed by the party to be charged. The registration rights of any holder under this Agreement with respect to any Registrable Securities may be transferred and assigned in accordance with this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

14.8 Severability. If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in full force and effect, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon any such determination that any provision of this Agreement is invalid or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

14.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. Each of the parties hereto agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction and such process.

14.10 Specific Performance. The parties hereto agree that irreparable damage may occur in the event that any of the provisions of this Agreement are not

performed in accordance with their specific terms or are otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in the United States District Court for the Northern District of Illinois or the courts of the State of Illinois, in Cook County, this being in addition to any other remedy to which they are entitled at law or in equity.

14.11 Consent to Jurisdiction. Without limiting the provisions of Article VIII hereof, the parties agree that any legal proceeding by or against any party or with respect to or arising out of this Agreement may be brought in or removed to the United States District Court for the Northern District of Illinois or the courts of the State of Illinois, in Cook County, as the party or parties instituting such legal action or proceeding may elect. By execution and delivery of this Agreement, each party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and to the appellate courts therefrom. The parties irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified airmail, postage prepaid, to such parties at the addresses specified in Section 14.1.

Any such service of process shall be effective five (5) Business Days after mailing, or, if hand delivered, upon delivery. Nothing herein shall affect the right to serve process in any other manner permitted by applicable law. The parties hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Agreement brought before the foregoing courts on the basis of (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, or that it or any of its property is immune from the above-described legal process, (b) that such action or proceeding is brought in an inconvenient forum, that venue for the action or proceeding is improper or that this Agreement may not be enforced in or by such courts, or (c) any other defense that would hinder or delay the levy, execution or collection of any amount to which any party is entitled pursuant to any final judgment of any court having jurisdiction.

[Signature Page Follows]

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the date first written above.

HURON CONSULTING GROUP INC.

By: _____

Name:
Title:

HCG HOLDINGS LLC

By: _____

Name:
Title:

Exhibit 10.21

_____ __, 2004

Lake Capital Partners LP
676 North Michigan Avenue
Suite 3900
Chicago, Illinois 60601

Ladies and Gentlemen:

This letter will confirm our agreement that pursuant to the purchase and continued holding by Lake Capital Partners LP (the "Investor") of membership interests in HCG Holdings LLC (the "Company") and the anticipated public offering of stock of Huron Consulting Group Inc. (the "Operating Subsidiary") that will result in a reduction of the percentage ownership of the Operating Subsidiary by the Company, the Investor will be entitled to the following contractual management rights for so long as the Investor owns membership interests in the Company and thereafter if Investor owns stock in the Operating Subsidiary:

1. The Operating Subsidiary shall deliver to the Investor:

(a) As soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Operating Subsidiary, an income statement for such fiscal year, a balance sheet end of each fiscal year of the Operating Subsidiary, an income statement for such fiscal year, a balance sheet of the Operating Subsidiary and statement of stockholder's equity as of the end of such year, and a statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles ("GAAP"), and audited and certified by independent public accountants of nationally recognized standing selected by the Operating Subsidiary;

(b) As soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Operating Subsidiary, an unaudited profit or loss statement, statement of cash flows for such fiscal quarter, an unaudited balance sheet and a statement of stockholder's equity as of the end of such fiscal quarter;

(c) to the extent the Operating Subsidiary is required pursuant to law or pursuant to the terms of any outstanding indebtedness of the Operating Subsidiary to prepare such reports, then, in lieu of the items listed in (a) or (b), any annual reports, quarterly reports and other periodic reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 actually prepared by the Operating Subsidiary as soon as available.

(d) Such other information relating to the financial condition, business, prospects or corporate affairs of the Operating Subsidiary as the Investor may from time to time request, provided, however, that the Operating Subsidiary shall not be obligated under this subsection (d) to provide information which it deems in good faith to be a trade secret or similar confidential information.

2. The Investor shall be entitled to consult with and advise management of the Operating Subsidiary on significant business issues, including management's proposed annual operating plans, and management will meet with the Investor regularly during each year at the Operating Subsidiary's facilities at mutually agreeable times for such consultations and advice and to review progress in achieving said plans.

3. The Investor may examine the books and records of the Operating Subsidiary and inspect its facilities and may request information at reasonable times and intervals concerning the general status of the Operating Subsidiary's financial condition and operations, provided that access to highly confidential proprietary information and facilities need not be provided unless the Investor first agrees to execute a proprietary information and non-disclosure agreement in a form acceptable to the Operating Subsidiary.

4. The Operating Subsidiary shall give a representative of the Investor copies of all notices, minutes, consents and other material that the Operating Subsidiary provides to its Directors, except that the Investor may be excluded from access to any material or meeting or portion thereof if the Operating Subsidiary believes, upon advice of counsel, that such exclusion is reasonably necessary to preserve the attorney-client privilege, to protect highly confidential proprietary information, or for other similar reasons. Upon reasonable notice and at a scheduled meeting of the Board of Directors or such other time, if any, as such Board of Directors may determine in its sole discretion, such representative may address the Board of Directors with respect to the Investor's concerns regarding significant business issues facing the Operating Subsidiary.

The Investor agrees, and any representative of the Investor will agree, to hold in confidence and trust and not use or disclose any confidential information provided to or learned by it in connection with its rights under this letter.

Very truly yours,

HURON CONSULTING GROUP INC.

_____

By: _____

Its: _____

Agreed and accepted this _____ day of
_____ __, 2004

LAKE CAPITAL PARTNERS LP

By: Lake Capital Investment Partners LP

Its: General Partner

By: Lake Partners LLC

Its: General Partner

_____

By: _____

Its: _____

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No. 4 to Form S-1/A Registration Statement of our report dated March 25, 2004 relating to the financial statements and financial statement schedule of Huron Consulting Group Inc., which appear in such Amendment No. 4 to Form S-1/A Registration Statement. We also consent to the reference to us under the heading "Experts" in such Amendment No. 4 to Form S-1/A Registration Statement.

/S/ PRICEWATERHOUSECOOPERS LLP

Chicago, Illinois
September 24, 2004