As filed with the Securities and Exchange Commission on August 29, 2005.

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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)

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General Counsel and Corporate Secretary
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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. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common stock, par value $.01 per share	$112,378,000	$13,226.89

(1) Estimated solely for the purpose of computing the registration fee in accordance with Rule 457(c) of the Securities Act of 1933, as amended, based upon the average of the high and low reported sales prices of the common stock on the NASDAQ National Market on August 26, 2005.

(2) Includes shares that may be sold, if any, pursuant to the underwriters' overallotment option.

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.

The information in this preliminary prospectus is not complete and may be changed. The selling stockholders may not 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 the selling stockholders are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS Subject to Completion August 29, 2005

4,000,000 Shares

Common Stock

All of the shares of our common stock in the offering are being sold by the selling stockholders identified in this prospectus. We will not receive any proceeds from the sale of any shares of our common stock in this offering.

Our common stock is quoted on the NASDAQ National Market under the symbol "HURN." The last reported sale price of our common stock on August 26, 2005 was $24.59 per share.

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 11 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 the selling stockholders	$	$

The underwriters may also purchase up to an additional 600,000 shares of common stock from HCG Holdings LLC, one of the selling stockholders, 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 stockholders 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 , 2005.

Joint Book-Running Managers

UBS Investment Bank **William Blair & Company** **Deutsche Bank Securities**

Robert W. Baird & Co.

You should only rely on the information contained in this prospectus. Neither we, the selling stockholders nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus. The selling stockholders 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, regardless of the time of delivery of this prospectus or any sale of our common stock.

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Huron Consulting Group Inc., Huron Consulting Group, our logo and certain other names of our services are our trademarks, trade names or service marks. Each trademark, trade name or service mark of any other company appearing in this prospectus belongs to its holder.

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 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 services in this segment include financial and economic analysis; forensic accounting; expert support and testimony services; restructuring, turnaround and bankruptcy advisory services; valuation analysis; and interim management, organizational renewal and turnaround services and other crisis management services. 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. For the year ended December 31, 2004 and the six months ended June 30, 2005, we derived 57.9% and 56.0%, respectively, of our revenues from Financial Consulting and 42.1% and 44.0%, 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 businesses, leading academic institutions, healthcare organizations and the law firms that represent these various organizations. Since commencing operations in May 2002, we have conducted over 1,500 engagements for over 1,000 clients, and we have worked on engagements with 37 of the 40 largest U.S. law firms listed in *The American Lawyer* 2005 Am Law 100.

As of June 30, 2005, we had 692 employees, including 557 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 HCG Holdings LLC, a Delaware limited liability company. HCG Holdings LLC, which is one of the selling stockholders in this offering, currently owns approximately 50.1% of our outstanding common stock. After giving effect to this offering (without giving effect to the underwriters' over-allotment option), HCG Holdings LLC will own approximately   % of our outstanding common stock. As a result, HCG Holdings LLC will continue to have the power to significantly influence the outcome of all matters submitted to our stockholders for approval after the consummation of this offering. See "Prospectus summary—HCG Holdings LLC," "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 believe that many other consulting firms provide 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 October 2004, we completed our initial public offering and our common stock began trading on the NASDAQ National Market.

In May 2005, we acquired Speltz & Weis LLC, a specialized consulting firm consisting of 26 consultants, so that our Financial Consulting segment can provide interim management, organizational renewal and turnaround services and other crisis management services to distressed hospitals and other healthcare facilities.

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 leads 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 557 on June 30, 2005. 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. We expect to have 600 consultants by the end of September 2005, including consultants of Speltz & Weis LLC.
- **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. We intend to focus on the following principal client areas: (1) lawyers and their law firms; (2) the general counsel of Fortune 1000 companies; (3) higher education and research institutions; (4) the healthcare sector (which includes providers, payors and pharmaceutical companies); (5) distressed companies and industries; and (6) the CFOs and COOs of companies with revenues of $1 billion to $20 billion.
- **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. For example, given the challenges faced by general counsels regarding legal compliance and litigation management, we believe the general counsel market represents a large growth opportunity.
- **Pursuing strategic acquisitions.** We intend to evaluate select acquisitions of complementary businesses as another means to broaden the scope or depth of our capabilities and expand our client base.

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.

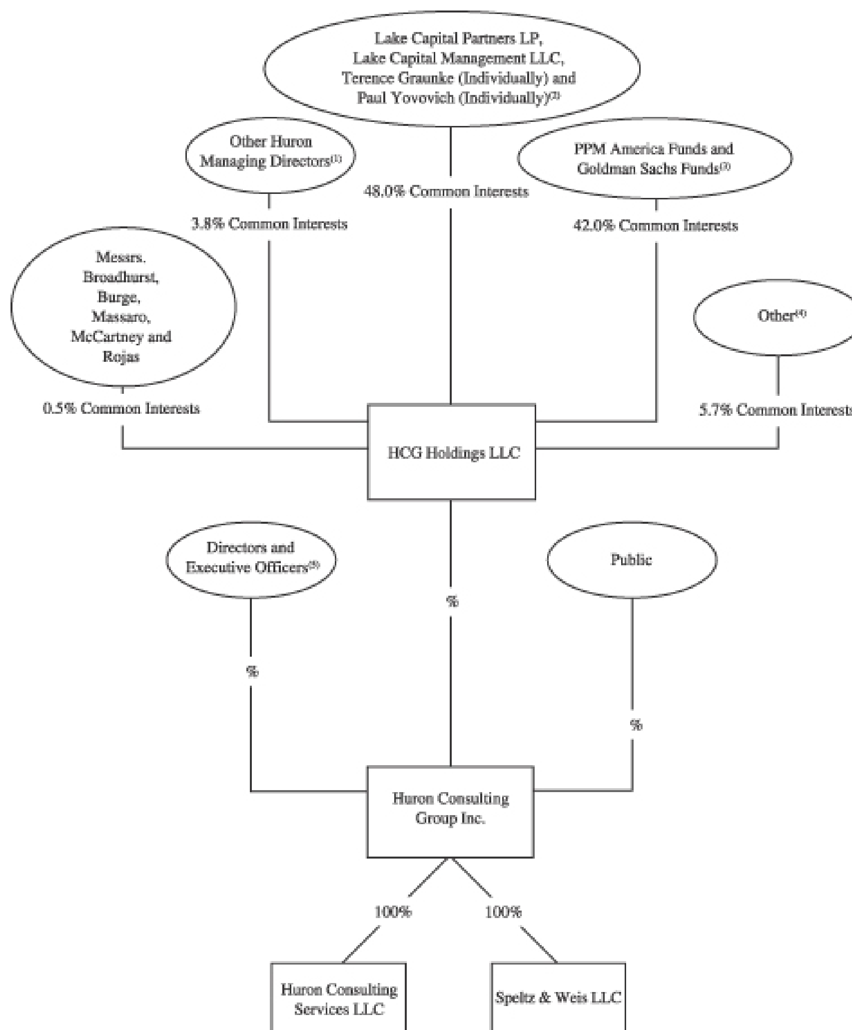
For more information about these and other risks related to our business and an investment in our common stock, see “Risk factors” beginning on page 11. You should consider carefully all of these risks before making an investment in our common stock.

HCG HOLDINGS LLC

HCG Holdings LLC, one of the selling stockholders in this offering, currently owns approximately 50.1% of our outstanding common stock. After giving effect to this offering (without giving effect to the underwriters’ over-allotment option), HCG Holdings LLC will own approximately % of our outstanding common stock. 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, three of our board members and 31 other holders. Our executive officers and board members holding interests in HCG Holdings LLC include George Massaro, our Vice Chairman and a board member, Gary Burge, our Chief Financial Officer, Daniel Broadhurst, our Vice President of Operations, James Rojas, our Vice President of Corporate Development, and John McCartney, a board member. These individuals collectively hold 0.5% of the common interests in HCG Holdings LLC. Prior to consummation of this offering, HCG Holdings LLC will redeem the 1.7% common membership interest formerly held by Gary Holdren, our Chief Executive Officer and a board member, in exchange for shares of our common stock owned by HCG Holdings LLC and certain cash consideration. These shares of common stock will not be sold in this offering. In addition, Paul Yovovich, a board member, is president and a member of Lake Capital Management LLC and controls Lake Capital Partners LP. Mr. Yovovich also directly holds 3.0% of the common interests in HCG Holdings LLC. In recognition of the substantial reduction in HCG Holdings LLC’s ownership percentage following this offering, Mr. Yovovich has advised us that he intends to resign from our board in connection with this offering.

POST-OFFERING CORPORATE STRUCTURE AND OWNERSHIP

The following organizational chart sets forth the corporate structure and percentage ownership of common interests 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 does not give effect to 1,381,206 shares of common stock issuable upon the exercise of outstanding options at August 15, 2005 (including shares of common stock that will be issued upon the exercise of options by certain selling stockholders in connection with this offering).



(1) The 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 owns more than 1.0% of the common interests in HCG Holdings LLC.

(2) Lake Capital Partners LP and Lake Capital Management LLC own 40.9% and 0.1%, respectively, of the common interests in 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

(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 4.0% and 3.0%, respectively, of the common interests in HCG Holdings LLC.

(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 31.5% 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 3.1%, 1.1%, 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 common interests in HCG Holdings LLC, except for The Hamilton Companies LLC, which owns 1.4% of the common interests.

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

CORPORATE INFORMATION

We were incorporated in Delaware in March 2002 and commenced operations in May 2002. We conduct all of our consulting activities through our wholly-owned subsidiaries, Huron Consulting Services LLC and Speltz & Weis 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 the selling stockholders	4,000,000 shares
Common stock to be outstanding immediately after this offering	shares
Over-allotment option	600,000 shares to be offered by HCG Holdings LLC, one of the selling stockholders, if the underwriters exercise the over-allotment option in full.
NASDAQ National Market symbol	HURN
Use of proceeds	We will not receive any proceeds from the sale of shares by the selling stockholders.

Unless otherwise indicated, all information in this prospectus assumes the underwriters do not exercise their over-allotment option, which entitles them to purchase up to 600,000 additional shares of our common stock from HCG Holdings LLC, one of the selling stockholders.

The number of shares of our common stock outstanding immediately after this offering is based on the number of shares outstanding at August 15, 2005 and includes shares of common stock offered hereby and to be issued upon the exercise of stock options held by some of the selling stockholders. This number does not include:

- 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 $ per share, which are not being sold in this offering; and
- 603,505 shares reserved and available for future grant or issuance under our 2004 Omnibus Stock Plan.

We have agreed to pay the expenses associated with this offering, other than the underwriting discounts and commissions.

Summary historical consolidated and pro forma financial and other operating data

We have derived the following summary historical consolidated financial data for the period from March 19, 2002 (inception) to December 31, 2002 and for the years ended December 31, 2003 and 2004 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the following summary historical consolidated financial data for the six months ended June 30, 2004 and 2005 and as of June 30, 2005 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the unaudited interim consolidated financial statements reflect all adjustments of a normal recurring nature necessary for the fair presentation of our results of operations and financial position for such periods.

The historical consolidated statements of operations and other operating data for the six months ended June 30, 2005 includes the results of operations and other operating data of Speltz & Weis LLC since May 9, 2005, the date of its acquisition. In order to present data that is useful for comparative purposes, we have provided pro forma statements of operations data for the year ended December 31, 2004 and the six months ended June 30, 2005, which gives pro forma effect to our May 2005 acquisition of Speltz & Weis LLC as if the acquisition was consummated at the beginning of the periods presented. The pro forma statements of operations data is not necessarily indicative of what actually would have occurred if the acquisition had been effective for the periods presented and should not be taken as representative of our future consolidated results of operations.

The summary historical consolidated and pro forma financial and other operating data 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,” our consolidated financial statements and related notes, Speltz & Weis LLC’s financial statements and related notes and the unaudited pro forma financial statements and related notes, in each case, included elsewhere in this prospectus.

Consolidated statements of operations data:	Mar. 19, 2002 (inception) to Dec. 31, 2002	Year Ended December 31, 2003	2004	Pro Forma 2004	Six Months Ended June 30, 2004	2005	Pro Forma 2005
				(unaudited)		(unaudited)	
	(in thousands, except per share and other operating data)						
Revenues	$ 35,101	$ 101,486	$ 159,550	$ 178,577	$ 81,604	$ 97,277	$ 105,559
Reimbursable expenses	2,921	8,808	14,361	16,024	7,090	9,061	9,846
Total revenues and reimbursable expenses	38,022	110,294	173,911	194,601	88,694	106,338	115,405
Direct costs and reimbursable expenses (exclusive of depreciation and amortization shown in operating expenses)(1):							
Direct costs	26,055	69,374	92,270	105,311	47,405	52,459	58,649
Stock-based compensation	—	27	978	978	186	2,239	2,239
Intangible assets amortization	—	—	—	1,900	—	385	1,342
Reimbursable expenses	2,921	8,929	14,281	15,944	7,065	9,091	9,873
Total direct costs and reimbursable expenses	28,976	78,330	107,529	124,133	54,656	64,174	72,103
Operating expenses:							
Selling, general and administrative	8,813	25,171	40,425	40,736	17,780	22,962	23,033
Stock-based compensation	—	14	433	433	60	867	867
Depreciation and amortization	3,048	5,328	2,365	2,790	1,075	1,956	2,154
Restructuring charges	—	—	3,475	3,475	2,139	—	—
Management and advisory fees paid to related parties	2,750	—	—	—	—	—	—
Loss on lease abandonment	—	1,668	—	—	—	—	—
Organization costs	965	—	—	—	—	—	—
Total operating expenses	15,576	32,181	46,698	47,434	21,054	25,785	26,054
Operating income (loss)	(6,530)	(217)	19,684	23,034	12,984	16,379	17,248
Other (income) expense:							
Interest (income) expense, net	332	856	692	796	516	(229)	(192)
Other (income) expense	1	112	—	—	(1)	(1)	(1)
Total other (income) expense	333	968	692	796	515	(230)	(193)
Income (loss) before provision (benefit) for income taxes	(6,863)	(1,185)	18,992	22,238	12,469	16,609	17,441
Provision (benefit) for income taxes	(2,697)	(122)	8,128	9,810	5,237	7,125	7,586
Net income (loss)	(4,166)	(1,063)	10,864	12,428	7,232	9,484	9,855
Accrued dividends on 8% preferred stock	646	1,066	931	931	558	—	—
Net income (loss) attributable to common stockholders	$ (4,812)	$ (2,129)	$ 9,933	$ 11,497	$ 6,674	$ 9,484	$ 9,855
Net income (loss) attributable to common stockholders per share(2):							
Basic	$ (0.41)	$ (0.18)	$ 0.77	$ 0.90	$ 0.50	$ 0.61	$ 0.63
Diluted	$ (0.41)	$ (0.18)	$ 0.72	$ 0.84	$ 0.47	$ 0.57	$ 0.59
Weighted average shares used in calculating net income (loss) attributable to common stockholders per share(2):							
Basic	11,803	11,871	12,820	12,820	12,011	15,597	15,597
Diluted	11,803	11,871	13,765	13,765	13,005	16,725	16,725
Cash dividend per common share(3)	$ —	$ —	$ 0.09	$ 0.09	$ —	$ —	$ —

(See footnotes on the following page.)

Other operating data (unaudited):	Mar. 19, 2002 (inception) to Dec. 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Six Months Ended June 30, 2004	Six Months Ended June 30, 2005
Number of consultants (at end of period)(4)	262	477	483	488	557
Average number of consultants (for the period)	247	361	485	480	513
Utilization rate(5)	57.3%	66.1%	72.2%	72.6%	76.3%
Average billing rate per hour(6)(7)	$ 206	$ 217	$ 239	$ 238	$ 252

Consolidated balance sheet data:	As of June 30, 2005 (unaudited) (in thousands)
Cash and cash equivalents	$ 15,099
Working capital	38,963
Total assets	100,156
Long-term debt(8)	2,000
Total stockholders' equity	63,296

(1) Intangible assets amortization relating to customer contracts is presented as a component of total direct costs. Depreciation, amortization of leasehold improvements and intangible assets amortization relating to customer relationships are presented as a component of operating expenses.

(2) Adjusted for a 1 for 2.3 reverse stock split effected on October 5, 2004.

(3) 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 $9.64 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.

(4) Consultants consist of our billable professionals, excluding interns and independent contractors.

(5) 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.

(6) 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.

(7) Included in the six months ended June 30, 2004 was a $1.6 million success fee 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. Excluding this success fee, our average billing rate per hour for the six months ended June 30, 2004 and the year ended December 31, 2004 would have been $234 and $236, respectively.

(8) Consists of notes payable, net of current portion, issued in connection with the acquisition of Speltz & Weis LLC.

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, George Massaro, our Vice Chairman, Daniel Broadhurst, our Vice President of Operations, Gary Burge, our Chief Financial Officer and Treasurer, James Rojas, our Vice President of Corporate Development, and other managing directors, and our ability to retain them is particularly important to our future success. On or about January 1, 2006, Mr. Massaro intends to reduce his workload to a part time, or approximately one-third, basis and to dedicate his efforts to strategic initiatives for us, including major client assignments. 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. In addition, our executive officers holding interests in HCG Holdings LLC consist of Messrs. Massaro, Broadhurst, Burge and Rojas. These individuals collectively hold 0.4% of the common interests in HCG Holdings LLC. If any of the above-described individuals realize substantial financial benefits as a result of their securities ownership in HCG Holdings LLC, their financial incentive to stay with us may be reduced. 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 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.

We have experienced net losses for a significant portion 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 $10.9 and $9.5 million for the year ended December 31, 2004 and the six months ended June 30, 2005, respectively, we may not sustain profitability in the future. 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. 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 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 557 as of June 30, 2005. 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 becoming a public reporting company and the increased expense incurred 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 is 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, 27.8% of our revenues in the year ended December 31, 2004 and 38.8% of our revenues in the six months ended June 30, 2005. One of our clients accounted for 12.6% of our revenues in the six months ended June 30, 2005 and represented 12.2% of our receivables and unbilled services balance as of June 30, 2005. 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. For clients in bankruptcy, a bankruptcy court could elect not to retain our interim management consultants, terminate our retention or require us to reduce our fees for the duration of an engagement. For example, shortly after we acquired Speltz & Weis LLC, its largest client that accounted for approximately 82.8% of its 2004 revenues filed for bankruptcy, and the bankruptcy court could reject the motion to allow the retention of our services. Terminations, cancellations, delays or reductions could result from factors unrelated to our services or the progress of the engagement. When engagements are terminated or reduced, 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 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 additional 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, including with respect to Speltz &Weis LLC. 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 declines 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 23.4% and 11.7% of our revenues for the year ended December 31, 2004 and the six months ended June 30, 2005, 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 declines 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.

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 11.8% and 14.4% of our revenues for the year ended December 31, 2004 and the six months ended June 30, 2005, 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 5.1% and 2.0% of our revenues for the year ended December 31, 2004 and the six months ended June 30, 2005, 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 may not be able to provide multiple

services to a particular client. 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 Silicon 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 2004. Also in 2004, we decided to eliminate a service offering of a practice area in our Operational Consulting segment that was not meeting our expectations and incurred a restructuring charge of $1.3 million. 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 subsidiaries 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 interests of our two wholly-owned operating subsidiaries. As a result, we must rely on payments from our subsidiaries to meet our obligations. We currently expect that the earnings and cash flow of our subsidiaries will primarily be retained and used by them in their operations, including servicing any debt obligations they may have now or in the future. Accordingly, although we do not anticipate paying any dividends in the foreseeable future, our subsidiaries 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 $ in pro forma net tangible book value per share of your investment (without giving effect to options exercised by any selling stockholders). 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 August 15, 2005, there were 1,381,206 shares of common stock issuable upon the exercise of outstanding stock options, with a weighted average exercise price of $2.16 per share (including shares of common stock that will be issued to certain selling stockholders upon the exercise of outstanding stock options, with a weighted average exercise price of $ per share, in connection with this offering).

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. Of the shares of our common stock expected to be outstanding upon consummation of this offering: (1) approximately % will be freely tradable without restriction or further registration under the federal securities laws and (2) approximately shares will be "restricted securities" under the Securities Act, subject to restrictions on the timing, manner and volume of sales of those shares. After consummation of this offering, HCG Holdings LLC and Gary E. Holdren will continue to 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. As of August 15, 2005, we had an aggregate of approximately 482,768,911 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.

We, each member of our board of directors, each of our executive officers and each selling stockholder have agreed for a period of at least 90 days after the date of this prospectus, to not, without the prior written consent of UBS Securities LLC, directly or indirectly, offer to 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, shares of common stock subject to these agreements, including shares issuable upon the exercise of vested options 90 days after the date of this prospectus, will be available for sale in the public market, subject to vesting of restricted common stock during the lock-up period and the restrictions on sales of "restricted securities" under the Securities Act.

We have adopted four equity incentive plans, one of which was adopted immediately prior to the completion of our initial public offering. See "Management—Equity Incentive Plans" for further information regarding our equity incentive plans. We filed a registration statement on Form S-8 under the Securities Act covering the 2,141,000 shares that are reserved for issuance under our newly adopted plan as well as 1,612,640 shares reserved for issuance upon the exercise of options outstanding under our three other plans. As of August 15, 2005, there were 1,381,206 shares of common stock issuable upon the exercise of outstanding stock options. Accordingly, subject to applicable vesting requirements with respect to options and shares of restricted common stock, exercise with respect to options, the provisions of Rule 144 with respect to affiliates and, if applicable, expiration of the 90 day lock-up agreements, shares registered under that registration statement will be available for sale in the open market.

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 significantly influence 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 % of our outstanding common stock, or approximately % 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 significantly influence 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 significantly influence 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.

The value of your investment may be subject to sudden decreases due to the potential volatility of the price of our common stock.
The closing sales price of our common stock has ranged from a high of $28.30 per share to a low of $18.90 per share since our initial public offering in October 2004. 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 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:

- 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 point 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.

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 within the meaning of Section 27A of the Securities Act. These forward-looking statements reflect our current expectation about our future results, levels of activity, performance or achievements, including, without limitation, that our business continues to grow as currently expected, that we are able to expand our service offerings through our existing consultants and new hires, and that existing market conditions do not change from current expectations. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “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

All of the shares of common stock offered by this prospectus are being sold by the selling stockholders. We will not receive any proceeds from the sale of shares by the selling stockholders. We will receive approximately $ for the exercise of options to purchase shares of our common stock that are being sold by certain selling stockholders in this offering, which we intend to use for general corporate purposes.

Price range of common stock

Since October 13, 2004, our common stock has been trading on the NASDAQ National Market under the symbol "HURN." The following table sets forth, on a per share basis and for the period indicated, the high and low closing sales prices for Huron's common stock as reported by the NASDAQ National Market.

	High	Low
2004:		
Fourth Quarter (from October 13, 2004)	$ 23.95	$ 18.90
2005:		
First Quarter	25.56	19.76
Second Quarter	25.25	19.46
Third Quarter (through August 26, 2005)	28.30	23.10

On August 26, 2005, the last reported sale price of our common stock as reported on the NASDAQ National Market was $24.59 per share. As of August 26, 2005, there were 72 holders of record of our common stock.

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 $9.64 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. In addition, our bank credit agreement restricts dividends by requiring $45 million of permanent equity capital, which is defined as the sum of paid-in capital and net income less any distributions.

Capitalization

The following table sets forth our capitalization as of June 30, 2005. 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 consolidated financial statements and related notes included elsewhere in this prospectus.

	As of June 30, 2005 (unaudited) (in thousands)
Cash and cash equivalents	$ 15,099
Long-term debt(1)	$ 2,000
Stockholders’ equity:	
Common stock, par value $.01 per share; 500,000,000 shares authorized; 17,122,661 shares issued and 17,077,211 shares outstanding	171
Treasury stock, 45,450 shares, at cost	(750)
Additional paid-in capital	73,166
Deferred stock-based compensation	(20,517)
Retained earnings	11,226
Total stockholders’ equity	63,296
Total capitalization	$ 65,296

(1) Consists of notes payable, net of current portion, issued in connection with the acquisition of Speltz & Weis LLC.

The outstanding share information as of June 30, 2005 excludes 1,415,129 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 $2.16 per share.

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 years ended December 31, 2003 and 2004 from our audited consolidated financial statements. We have derived the following selected consolidated financial data for the six months ended June 30, 2004 and 2005 and as of June 30, 2005 from our unaudited interim consolidated financial statements. The historical consolidated statements of operations and other operating data for the six months ended June 30, 2005 includes the results of operations and other operating data of Speltz & Weis LLC since May 9, 2005, its date of acquisition. In the opinion of management, the unaudited selected financial data presented below under the headings "Consolidated Statement of Operations Data" and "Consolidated Balance Sheet Data" reflect all adjustments of a normal recurring nature necessary to present fairly our results of operations and financial position for and as of the periods presented. 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 consolidated financial statements and related notes included elsewhere in this prospectus.

Selected consolidated financial and other operating data

Consolidated statements of operations data	Mar. 19, 2002 (inception) to Dec. 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Six Months Ended June 30, 2004	Six Months Ended June 30, 2005
				(unaudited)	(unaudited)
	(in thousands, except per share and other operating data)				
Revenues	$ 35,101	$101,486	$159,550	$81,604	$ 97,277
Reimbursable expenses	2,921	8,808	14,361	7,090	9,061
Total revenues and reimbursable expenses	38,022	110,294	173,911	88,694	106,338
Direct costs and reimbursable expenses (exclusive of depreciation and amortization shown in operating expenses)(1):					
Direct costs	26,055	69,374	92,270	47,405	52,459
Stock-based compensation	—	27	978	186	2,239
Intangible assets amortization	—	—	—	—	385
Reimbursable expenses	2,921	8,929	14,281	7,065	9,091
Total direct costs and reimbursable expenses	28,976	78,330	107,529	54,656	64,174
Operating expenses:					
Selling, general and administrative	8,813	25,171	40,425	17,780	22,962
Stock-based compensation	—	14	433	60	867
Depreciation and amortization	3,048	5,328	2,365	1,075	1,956
Restructuring charges	—	—	3,475	2,139	—
Management and advisory fees paid to related parties	2,750	—	—	—	—
Loss on lease abandonment	—	1,668	—	—	—
Organization costs	965	—	—	—	—
Total operating expenses	15,576	32,181	46,698	21,054	25,785
Operating income (loss)	(6,530)	(217)	19,684	12,984	16,379
Other (income) expense:					
Interest (income) expense, net	332	856	692	516	(229)
Other (income) expense	1	112	—	(1)	(1)
Total other (income) expense	333	968	692	515	(230)
Income (loss) before provision (benefit) for income taxes	(6,863)	(1,185)	18,992	12,469	16,609
Provision (benefit) for income taxes	(2,697)	(122)	8,128	5,237	7,125
Net income (loss)	(4,166)	(1,063)	10,864	7,232	9,484
Accrued dividends on 8% preferred stock	646	1,066	931	558	—
Net income (loss) attributable to common stockholders	$ (4,812)	$ (2,129)	$ 9,933	$ 6,674	$ 9,484
Net income (loss) attributable to common stockholders per share(2):					
Basic	$ (0.41)	$ (0.18)	$ 0.77	$ 0.50	$ 0.61
Diluted	$ (0.41)	$ (0.18)	$ 0.72	$ 0.47	$ 0.57
Weighted average shares used in calculating net income (loss) attributable to common stockholders per share(2):					
Basic	11,803	11,871	12,820	12,011	15,597
Diluted	11,803	11,871	13,765	13,005	16,725
Cash dividend per common share(3)	$ —	$ —	$ 0.09	$ —	$ —

(See footnotes on the following page.)

Selected consolidated financial and other operating data

Other operating data (unaudited):	Mar. 19, 2002 (inception) to Dec. 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Six Months Ended, 2004	Six Months Ended, 2005
Number of consultants (at end of period)(4)	262	477	483	488	557
Average number of consultants (for the period)	247	361	485	480	513
Utilization rate(5)	57.3%	66.1%	72.2%	72.6%	76.3%
Average billing rate per hour(6)(7)	$ 206	$ 217	$ 239	$ 238	$ 252

Consolidated balance sheet data (in thousands):	Dec. 31, 2002	December 31, 2003	December 31, 2004	June 30, 2005 (unaudited)
Cash and cash equivalents	$ 4,449	$ 4,251	$28,092	$ 15,099
Working capital	$ 9,780	$10,159	$42,898	$ 38,963
Total assets	$26,583	$39,889	$83,219	$ 100,156
Long-term debt(8)	$10,076	$10,076	$ —	$ 2,000
Total 8% preferred stock(9)	$13,146	$14,212	$ —	$ —
Total stockholders' equity (deficit)	$ (4,543)	$ (6,624)	$49,233	$ 63,296

(1) Intangible assets amortization relating to customer contracts is presented as a component of total direct costs. Depreciation, amortization of leasehold improvements and intangible assets amortization relating to customer relationships are presented as a component of operating expenses.

(2) Adjusted for a 1 for 2.3 reverse stock split effected on October 5, 2004.

(3) 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 $9.64 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.

(4) Consultants consist of our billable professionals, excluding interns and independent contractors.

(5) 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.

(6) 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.

(7) Included in the six months ended June 30, 2004 was a $1.6 million success fee 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. Excluding this success fee, our average billing rate per hour for the six months ended June 30, 2004 and the year ended December 31, 2004 would have been $234 and $236, respectively.

(8) Consists of 8% promissory notes at December 31, 2002 and 2003. Consists of notes payable, net of current portion, issued in connection with the acquisition of Speltz & Weis LLC at June 30, 2005.

(9) On October 18, 2004, we used $15.1 million of the proceeds of the initial public offering to redeem all of the outstanding 8% preferred stock, plus cumulative dividends and a liquidation participation amount totaling $2.6 million.

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 consolidated financial statements and related notes included elsewhere in this prospectus.

OUR BUSINESS

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 557 as of June 30, 2005. 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 2003 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 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 2004 totaled $159.6 million, a 57.2% increase from 2003. Revenues for the six months ended June 30, 2005 totaled $97.3 million, a 19.2% increase from revenues of $81.6 million in the six months ended June 30, 2004.

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 83.1% of our revenues in 2004 and 83.6% of our revenues for the six months ended June 30, 2005.

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 year ended December 31, 2004 and the six months ended June 30, 2005, fixed-fee engagements represented approximately 11.8% and 14.4%, respectively, 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 5.1% and 2.0% of our revenues in 2004 and the six months ended June 30, 2005, respectively, 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.

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.

Total direct costs

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

Total direct costs also include stock-based compensation, which represents the cost of stock option and restricted stock awards granted to our consultants. Compensation expense for stock-based awards is amortized on a straight-line basis over the vesting period, which is generally four years. As a result of the grant of restricted common stock awards and anticipated future awards, annual stock-based compensation expense will increase in the future. Total direct costs also include intangible assets amortization relating to customer contracts.

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, and professional fees. Other operating expenses include certain depreciation and amortization expenses not included in total direct costs and stock-based compensation, which represents the cost of stock option and restricted stock awards granted to our non-billable professionals. Compensation expense for stock-based awards is amortized on a straight-line basis over the vesting period, which is generally four years. As a result of the grant of restricted common stock awards and anticipated future awards, annual stock-based compensation expense will increase in the future.

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.

Beginning January 1, 2005, the forensic technology and discovery services group was moved from the Financial Consulting segment to the Operational Consulting segment to improve marketing synergies with the legal business consulting practice. Previously reported segment information has been reclassified to reflect this change, except for the year ended December 31, 2002 as the effect was immaterial.

INITIAL PUBLIC OFFERING

On October 18, 2004, we completed our initial public offering. In the initial public offering, we sold 3,333,333 shares of common stock and HCG Holdings LLC, one of the selling stockholders in this offering, sold 1,666,667 shares of common stock at an offering price of $15.50 per share. On October 22, 2004, the underwriters exercised in full their over-allotment option to purchase an additional 750,000 shares of common stock from HCG Holdings LLC. The initial public offering generated gross proceeds to us of $51.7 million, or $48.0 million net of underwriting discounts. We did not receive any proceeds from the shares sold by HCG Holdings LLC. On October 18, 2004, we used $15.1 million of the net proceeds to redeem the outstanding 8% preferred stock, including cumulative dividends and a liquidation participation amount totaling $2.6 million. Also on October 18, 2004, the Company used $10.7 million of the net offering proceeds to repay the notes payable to HCG Holdings LLC, including accrued and unpaid interest of $0.6 million. The costs associated with the initial public offering, which totaled $3.3 million, were paid from the proceeds. On May 9, 2005, we used a portion of the remaining net proceeds from the initial public offering to pay the cash portion of the purchase price for our acquisition of Speltz & Weis LLC. We are using the remaining initial public offering proceeds for general corporate purposes, including working capital and potential business acquisitions.

ACQUISITION OF SPELTZ & WEIS LLC

On May 9, 2005, Huron Consulting Group, Inc. acquired 100% of the outstanding membership interests of Speltz & Weis LLC, a specialized consulting firm consisting of 26 consultants. With the acquisition of Speltz & Weis LLC, our Financial Consulting segment can provide interim management, organizational renewal and turnaround services and other crisis management services to distressed hospitals and other healthcare facilities.

The aggregate purchase price of the acquisition was $17.2 million, which consisted of $14.0 million cash paid at closing, notes payable totaling $3.0 million payable in three equal annual installments of $1.0 million (together with accrued interest at 4% per annum) beginning on May 8, 2006, and $0.2 million of transaction costs. Additional purchase consideration may be payable based on the performance of Speltz & Weis LLC during the three-year period beginning June 1, 2005 and ending May 30, 2008. Also, additional payments may be made based on the amount of revenues we receive from certain referrals made by Speltz & Weis LLC employees. The acquisition has been accounted for under the purchase method of accounting and the results of Speltz & Weis' operations have been included within the Financial Consulting segment in our consolidated financial statements since the date of the acquisition.

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 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 five 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, allowances for doubtful accounts and unbilled services, carrying value of goodwill and other intangible assets, 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.

Allowances for doubtful accounts and unbilled services

We maintain allowances 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 allowances are 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.

Carrying value of goodwill and other intangible assets

Goodwill represents the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. Our goodwill balance as of June 30, 2005 was $14.6 million, which resulted from the acquisition of Speltz & Weis LLC in the second quarter of 2005. Under the provisions of Statement of Financial Accounting Standards, or SFAS, No. 142, "Goodwill and Other Intangible Assets," goodwill is required to be tested for impairment on an annual basis and between annual tests whenever indications of impairment exist. We have elected and will begin to perform this annual impairment test in the second quarter of 2006 or earlier if indications of impairment arise, such as loss of key personnel, unanticipated competition, or other unforeseen developments. Impairment exists when the carrying amount of goodwill exceeds its implied fair value, resulting in an impairment charge for this excess. An impairment test involves considerable management judgment and estimates regarding future operating results and cash flows.

Intangible assets represent purchased assets that lack physical substance but can be distinguished from goodwill. Our intangible assets balances, net of accumulated amortization, totaled $2.1 million at June 30, 2005 and consist of customer contracts and relationships relating to the Speltz & Weis LLC acquisition. We obtained a third party valuation to assist us in estimating the initial fair value of acquired intangible assets. These estimated fair values could change based on the finalization of the valuation. These valuations are primarily based on the present value of the estimated net cash flows expected to be derived from the client contracts and relationships, discounted for assumptions about future customer attrition. We evaluate our intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Therefore, higher or earlier-than-expected customer attrition may result in higher future amortization charges or an impairment charge for customer-related intangible assets.

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 experienced net losses early in our history, 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, or APB, Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations and have elected the disclosure option of 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 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 prior to our initial public offering, we established an estimated fair value of the common stock as well as the exercise price for the options to purchase this stock. We estimated the fair value of our common stock by evaluating our results of business activities and projections of our future results of operations. See "Recent Accounting Pronouncements" below.

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:	Mar. 19, 2002 (inception) to Dec. 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Six Months Ended June 30, 2004 (unaudited)	Six Months Ended June 30, 2005 (unaudited)
	(in thousands, except other operating data)				
Revenues and reimbursable expenses:					
Financial Consulting revenues	$ 22,400	$ 68,028	$ 92,378	$ 48,999	$ 54,443
Operational Consulting revenues	12,701	33,458	67,172	32,605	42,834
Total revenues	35,101	101,486	159,550	81,604	97,277
Total reimbursable expenses	2,921	8,808	14,361	7,090	9,061
Total revenues and reimbursable expenses	$ 38,022	$ 110,294	$ 173,911	$ 88,694	$ 106,338
Operating income (loss):					
Financial Consulting	$ 3,912	$ 20,601	$ 34,365	$ 19,182	$ 22,444
Operational Consulting	3,527	6,793	23,009	11,344	15,988
Total segment operating income	7,439	27,394	57,374	30,526	38,432
Unallocated corporate costs	7,206	20,601	31,417	14,328	20,097
Depreciation and amortization expense	3,048	5,328	2,365	1,075	1,956
Other operating expenses	3,715	1,682	3,908	2,139	—
Total operating expenses	13,969	27,611	37,690	17,542	22,053
Operating (loss) income	$ (6,530)	$ (217)	$ 19,684	$ 12,984	$ 16,379
Other operating data (unaudited):					
Number of consultants (at end of period)(1):					
Financial Consulting	172	285	269	276	284
Operational Consulting	90	192	214	212	273
Total	262	477	483	488	557
Average number of consultants (for the period):					
Financial Consulting	163	219	279	281	270
Operational Consulting	84	142	206	199	243
Total	247	361	485	480	513
Utilization rate(2):					
Financial Consulting	55.7%	66.6%	71.6%	72.7%	77.5%
Operational Consulting	60.5%	65.3%	73.0%	72.5%	75.0%
Total	57.3%	66.1%	72.2%	72.6%	76.3%
Average billing rate per hour(3):					
Financial Consulting(4)	212	233	257	256	278
Operational Consulting	195	191	218	216	226
Total(4)	206	217	239	238	252

(1) *Consultants consist of our billable professionals, excluding interns and independent contractors.*
(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.*

(Footnotes continued on following page.)

(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.
(4) Included in the six months ended June 30, 2004 and the year ended December 31, 2004 was a $1.6 million success fee 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. Excluding this success fee, the Financial Consulting average billing rate per hour for the six months ended June 30, 2004 and the year ended December 31, 2004 would have been $247 and $252, respectively. The total average billing rate per hour for the six months ended June 30, 2004 and the year ended December 31, 2004 would have been $234 and $236, respectively.

Six months ended June 30, 2005 compared to six months ended June 30, 2004

Revenues

Revenues increased $15.7 million, or 19.2%, to $97.3 million for the six months ended June 30, 2005 from $81.6 million for the six months ended June 30, 2004. Revenues for the six months ended June 30, 2005 included $3.2 million of revenues generated by Speltz & Weis LLC. Revenues from time-and-expense engagements increased $15.3 million, or 23.2%, to $81.3 million for the six months ended June 30, 2005 from $66.0 million for the six months ended June 30, 2004. Revenues from fixed-fee engagements increased $4.0 million, or 40.0%, to $14.0 million for the six months ended June 30, 2005 from $10.0 million for the six months ended June 30, 2004. Revenues from performance-based engagements decreased $3.6 million, or 64.3%, to $2.0 million for the six months ended June 30, 2005 from $5.6 million for the six months ended June 30, 2004. Included in performance-based revenues in the six months ended June 30, 2004 was a $1.6 million success fee 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.

Of the overall $15.7 million increase in revenues, $6.2 million was attributable to an increase in the average billing rate per hour, $5.3 million was attributable to an increase in billable hours, and $4.2 million was attributable to an increase in our utilization rate. Our average billing rate per hour increased 5.9% to $252 for the six months ended June 30, 2005 from $238 for the six months ended June 30, 2004, or $234 excluding the aforementioned success fee. 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. The increase in billable hours was generated by new and existing client engagements, the hiring of additional consultants and increased usage of independent contractors. The average number of consultants increased to 513 for the six months ended June 30, 2005 from 480 for the six months ended June 30, 2004, as we added a substantial number of consultants in our Operational Consulting segment to meet growing demand for our services and 26 consultants through the Speltz & Weis LLC acquisition. Revenues generated by independent contractors increased $1.4 million, or 127.3%, to $2.5 million for the six months ended June 30, 2005 from $1.1 million for the same period last year. In addition, our utilization rate increased to 76.3% for the six months ended June 30, 2005 from 72.6% for the six months ended June 30, 2004.

Total direct costs

Our direct costs increased $5.1 million, or 10.7%, to $52.5 million in the six months ended June 30, 2005 from $47.4 million in the six months ended June 30, 2004. This increase was primarily attributable to the increase in the average number of consultants described above and a $0.7 million increase in signing bonuses. 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 have hired.

Stock-based compensation expense increased to $2.2 million for the six months ended June 30, 2005 from $0.2 million for the same period last year due to the granting of restricted stock awards to our

consultants. On October 12, 2004, immediately prior to our initial public offering, we granted to our consultants a total of 489,500 shares of restricted common stock with an aggregate fair market value of $7.6 million. During the first six months of 2005, we granted to our consultants an additional 447,300 shares of restricted common stock with an aggregate fair market value of $9.1 million.

Total direct costs in the six months ended June 30, 2005 included $0.4 million of intangible assets amortization expense resulting from the Speltz & Weis LLC acquisition. Customer contracts valued at $1.9 million are being amortized over a weighted-average life of 8.4 months.

Operating expenses

Selling, general and administrative expenses increased $5.2 million, or 29.1%, to $23.0 million in the six months ended June 30, 2005 from $17.8 million in the six months ended June 30, 2004. The increase was due in part to an increase in the average number of non-billable professionals to 134 for the six months ended June 30, 2005 from 105 for the six months ended June 30, 2004 and their related compensation and benefit costs of $10.4 million in the six months ended June 30, 2005 compared to $7.9 million in the six months ended June 30, 2004. We added a number of non-billable professionals during the past year in preparation for, and to continue to support, a public company infrastructure. The remaining increase in selling, general and administrative costs in the six months ended June 30, 2005 compared to the same period in the prior year was due to increases in training and recruiting costs, rent and other facility costs, promotion and marketing costs, and new costs associated with being a public company, including Sarbanes-Oxley compliance. This increase was partially offset by lower severance charges as compared to the six months ended June 30, 2004, when we recorded $0.6 million of such charges. We expect operating expenses will increase in the future in response to ongoing growth in our business activity. In addition, we expect to incur approximately $1.0 million in expenses during the third quarter of 2005 in connection with hosting two client development-oriented conferences.

Stock-based compensation expense totaled $0.9 million for the six months ended June 30, 2005 due to the granting of restricted stock awards to our non-billable professionals. On October 12, 2004, immediately prior to our initial public offering, we granted to our non-billable professionals a total of 278,200 shares of restricted common stock with an aggregate fair market value of $4.3 million. During the first six months of 2005, we granted to our non-billable professionals an additional 109,800 shares of restricted common stock with an aggregate fair market value of $2.3 million.

Depreciation expense increased $0.8 million, or 72.7%, to $1.9 million in the six months ended June 30, 2005 from $1.1 million in the six months ended June 30, 2004 as computers, network equipment, furniture and fixtures, and leasehold improvements were added to support our increase in employees. In the six months ended June 30, 2005, we recognized $0.1 million of intangible assets amortization. In conjunction with the Speltz & Weis LLC acquisition, we recorded $0.7 million of intangible assets representing customer relationships, which is being amortized over a weighted-average life of 15.1 months.

Operating expenses in the six months ended June 30, 2004 also included 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, which were paid by April 30, 2004, and $0.1 million for office lease payments, which were paid by August 31, 2004.

Operating income

Operating income increased $3.4 million, or 26.1%, to $16.4 million for the six months ended June 30, 2005 from $13.0 million for the six months ended June 30, 2004. Operating income for the six months ended June 30, 2004 included $1.3 million associated with the aforementioned $1.6 million success fee

recorded in the period. The increase in operating income was primarily due to the increase in revenues, partially offset by the increases in direct costs and operating expenses as discussed above. Operating margin, which is defined as operating income expressed as a percentage of revenues, increased to 16.8% in the six months ended June 30, 2005 compared to 15.9% in the six months ended June 30, 2004. The 2004 success fee had an approximately one percentage point favorable impact on operating margin.

Net income attributable to common stockholders

Net income attributable to common stockholders increased $2.8 million, or 42.1%, to $9.5 million for the six months ended June 30, 2005 from $6.7 million for the six months ended June 30, 2004. Diluted earnings per share increased 21.3% to $0.57 for the six months ended June 30, 2005 from $0.47 for the comparable period last year. Diluted earnings per share attributable to the Speltz & Weis LLC acquisition was $0.01 for the six months ended June 30, 2005, net of the amortization of intangible assets, which was $0.5 million pre-tax or $0.3 million after-tax, or $0.02 per share. The 21.3% increase in diluted earnings per share was primarily due to higher earnings, partially offset by additional shares issued during the initial public offering.

Pursuant to a registration rights agreement with HCG Holdings LLC, we are required to pay the expenses relating to this offering, excluding the underwriting discounts and commissions which will be borne by the selling stockholders. These expenses will have an approximately $ million impact on our net income, and will reduce our earnings per share, for the remainder of the year.

Segment results

Financial Consulting

Revenues

Financial Consulting segment revenues, which includes revenues generated by Speltz & Weis LLC since the date of the acquisition, increased $5.4 million, or 11.1%, to $54.4 million for the six months ended June 30, 2005 from $49.0 million for the six months ended June 30, 2004. Revenues from time-and-expense engagements increased $7.3 million, or 16.4%, to $51.7 million for the six months ended June 30, 2005 from $44.4 million for the six months ended June 30, 2004. Revenues from fixed-fee engagements decreased $0.3 million, or 10.0%, to $2.7 million for the six months ended June 30, 2005 from $3.0 million for the six months ended June 30, 2004. There were no revenues from performance-based engagements for the six months ended June 30, 2005 as compared to $1.6 million for the six months ended June 30, 2004, which consisted of fees recognized relating to the successful completion of a series of asset sales transactions managed on behalf of a single client over a two-year period.

Of the overall $5.4 million increase in revenues, $4.4 million was attributable to an increase in the average billing rate per hour and $3.1 million was attributable to an increase in our utilization rate, partially offset by a $2.1 million decrease in revenues attributable to a decrease in billable hours. The average billing rate per hour increased 8.6% to $278 for the six months ended June 30, 2005 from $256 for the six months ended June 30, 2004, or $247 excluding the aforementioned success fee. In addition, our utilization rate increased to 77.5% for the six months ended June 30, 2005 from 72.7% for the six months ended June 30, 2004. The decrease in billable hours was due to a decrease in the average number of consultants from 281 for the six months ended June 30, 2004 to 270 for the six months ended June 30, 2005. This decrease was partially offset by an increase in billable hours generated by independent contractors. Independent contractor revenues increased $0.7 million, or 350.0%, to $0.9 million for the six months ended June 30, 2005 from $0.2 million for the same period last year.

Operating income

Financial Consulting segment operating income increased $3.2 million, or 17.0%, to $22.4 million in the six months ended June 30, 2005 from $19.2 million in the six months ended June 30, 2004. 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 41.2% in the six months ended June 30, 2005 from 39.1% in the six months ended June 30, 2004. The 2004 success fee had an approximately one percentage point favorable impact on operating margin.

Operational Consulting

Revenues

Operational Consulting segment revenues increased $10.2 million, or 31.4%, to $42.8 million for the six months ended June 30, 2005 from $32.6 million for the six months ended June 30, 2004. Revenues from time-and-expense engagements increased $7.9 million, or 36.6%, to $29.5 million for the six months ended June 30, 2005 from $21.6 million for the six months ended June 30, 2004. Revenues from fixed-fee engagements increased $4.3 million, or 61.4%, to $11.3 million for the six months ended June 30, 2005 from $7.0 million for the six months ended June 30, 2004. Revenues from performance-based engagements decreased $2.0 million, or 50.0%, to $2.0 million for the six months ended June 30, 2005 from $4.0 million for the six months ended June 30, 2004.

Of the overall $10.2 million increase in revenues, $7.4 million was attributable to an increase in billable hours, $1.8 million was attributable to an increase in the average billing rate per hour, and $1.0 million was attributable to an increase in our utilization rate. The increase in billable hours was generated by new and existing client engagements, the hiring of additional consultants and increased usage of independent contractors. The average number of consultants increased to 243 for the six months ended June 30, 2005 from 199 for the six months ended June 30, 2004, as we added a substantial number of consultants over the past year to meet growing demand for our services. Independent contractor revenues increased $0.9 million, or 112.5%, to $1.7 million for the six months ended June 30, 2005 from $0.8 million for the same period last year. The average billing rate per hour increased 4.6% to $226 for the six months ended June 30, 2005 from $216 for the same period last year. In addition, our utilization rate increased to 75.0% for the six months ended June 30, 2005 from 72.5% for the six months ended June 30, 2004.

Operating income

Operational Consulting segment operating income increased $4.7 million, or 40.9%, to $16.0 million for the six months ended June 30, 2005 from $11.3 million for the six months ended June 30, 2004. Segment operating margin increased to 37.3% in the six months ended June 30, 2005 compared to 34.8% in the same period last year.

Year ended December 31, 2004 compared to year ended December 31, 2003

Revenues

Revenues increased $58.1 million, or 57.2%, to $159.6 million for the year ended December 31, 2004 from $101.5 million for the year ended December 31, 2003. Revenues from time-and-expense engagements increased $46.5 million, or 54.0%, to $132.6 million for the year ended December 31, 2004 from $86.1 million for the year ended December 31, 2003. Revenues from fixed-fee engagements increased $6.7 million, or 55.4%, to $18.8 million for the year ended December 31, 2004 from $12.1

million for the year ended December 31, 2003. Revenues from performance-based engagements increased $4.9 million, or 148.5%, to $8.2 million for the year ended December 31, 2004 from $3.3 million for the year ended December 31, 2003.

The overall $58.1 million increase in revenues resulted from a $32.3 million increase in revenues attributable to an increase in billable hours associated with new and existing client engagements and the hiring of additional consultants, a $16.7 million increase in revenues attributable to an increase in the average billing rate per hour and a $9.1 million increase in revenues attributable to an increase in our utilization rate. The average number of consultants increased to 485 for the year ended December 31, 2004 from 361 for the year ended December 31, 2003 as we added a substantial number of consultants during the second half of 2003 to meet growing demand for our services and position us for future growth. The average billing rate per hour increased 10.1% to $239 for the year ended December 31, 2004 from $217 for the year ended December 31, 2003. In addition, our utilization rate increased to 72.2% for the year ended December 31, 2004 from 66.1% in the year ended December 31, 2003.

Total direct costs

Our direct costs increased $22.9 million, or 33.0%, to $92.3 million in the year ended December 31, 2004 from $69.4 million in the year ended December 31, 2003. This increase in cost was primarily attributable to the increase in the average number of consultants described above.

Stock-based compensation expense increased to $1.0 million primarily due to the issuance of employee stock option awards with a higher intrinsic value during the first quarter of 2004 and the granting of restricted common stock awards to our consultants. On October 12, 2004, immediately prior to our initial public offering, we granted to our consultants a total of 489,500 shares of restricted common stock with an aggregate fair market value of $7.6 million.

Operating expenses

Selling, general and administrative expenses increased $15.2 million, or 60.3%, to $40.4 million in the year ended December 31, 2004 from $25.2 million in the year ended December 31, 2003. The increase was due in part to an increase in the average number of non-billable professionals to 113 for the year ended December 31, 2004 from 76 for the year ended December 31, 2003 and their related compensation and benefit costs of $16.5 million in the year ended December 31, 2004 compared to $9.0 million in the year ended December 31, 2003. Selling, general and administrative expenses in the year ended December 31, 2004 also included severance charges totaling $1.8 million as we eliminated the positions of certain managing directors and other senior level consultants. Severance charges included the settling of contractual obligations with certain managing directors. The remaining increase in selling, general and administrative expenses in 2004 compared to 2003 was due to increases in rent and other facility costs, promotion and marketing costs, and other administrative costs associated with the general growth in our business activity, as well as costs incurred to establish an infrastructure to support a public company.

Stock-based compensation expense totaled $0.4 million for the year ended December 31, 2004 due to the granting of restricted stock awards to our non-billable professionals. On October 12, 2004, immediately prior to our initial public offering, we granted to our non-billable professionals a total of 278,200 shares of restricted common stock with an aggregate fair market value of $4.3 million.

Depreciation expense increased $0.8 million, or 50.0%, to $2.4 million in the year ended December 31, 2004 from $1.6 million in the year ended December 31, 2003 as computers, furniture and fixtures, and leasehold improvements were added to support our increase in employees. There was no amortization expense in 2004 compared to $3.7 million in the year ended December 31, 2003. The amortization

expense in 2003 related to $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.

Operating expenses in 2004 included 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, which were paid by April 30, 2004, and $0.1 million for office lease payments, which were paid by August 31, 2004. We also incurred a $1.3 million pre-tax restructuring charge as we decided to eliminate a service offering of a practice area in the Operational Consulting segment that was not meeting our expectations.

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.

Operating income (loss)

Operating income in the year ended December 31, 2004 was $19.7 million compared to an operating loss of $0.2 million in the year ended December 31, 2003. The increase in operating income was primarily due to revenue growing at a higher rate as compared to the growth in direct costs and operating expenses. Operating margin was 12.2% in the year ended December 31, 2004.

Segment results

Financial Consulting

Revenues

Financial Consulting segment revenues increased $24.4 million, or 35.8%, to $92.4 million for the year ended December 31, 2004 from $68.0 million for the year ended December 31, 2003. Revenues from time-and-expense engagements increased $22.5 million, or 36.2%, to $84.7 million for the year ended December 31, 2004 from $62.2 million for the year ended December 31, 2003. Revenues from fixed-fee engagements increased $1.1 million, or 22.4%, to $6.0 million for the year ended December 31, 2004 from $4.9 million for the year ended December 31, 2003. Revenues from performance-based engagements increased $0.8 million, or 88.9%, to $1.7 million for the year ended December 31, 2004 from $0.9 million for the year ended December 31, 2003. Performance-based fee revenues for the year ended December 31, 2004 consisted of a $1.6 million success fee recognized in the second quarter relating to the successful completion of a series of asset sale transactions managed on behalf of a single client over a two-year period.

The overall $24.4 million increase in revenues resulted from a $10.8 million increase in revenues attributable to an increase in billable hours associated with new and existing client engagements and the hiring of additional consultants, a $8.5 million increase in revenues attributable to an increase in the average billing rate per hour and a $5.1 million increase in revenues attributable to an increase in our utilization rate. The average number of consultants increased to 279 for the year ended December 31, 2004 from 219 for the year ended December 31, 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 10.3% to $257 for the year ended December 31, 2004 from $233 for the year ended December 31, 2003. In addition, our utilization rate increased to 71.6% for the year ended December 31, 2004 from 66.6% for the year ended December 31, 2003.

Operating income

Financial Consulting segment operating income increased $13.8 million, or 66.8%, to $34.4 million in the year ended December 31, 2004 from $20.6 million in the year ended December 31, 2003. Segment operating margin improved to 37.2% in the year ended December 31, 2004 from 30.3% in the year ended December 31, 2003, primarily as a result of the increase in revenues discussed above, partially offset by an increase in direct costs in 2004.

Operational Consulting

Revenues

Operational Consulting segment revenues increased $33.7 million, or 100.8%, to $67.2 million for the year ended December 31, 2004 from $33.5 million for the year ended December 31, 2003. Revenues from time-and-expense engagements increased $24.0 million, or 100.4%, to $47.9 million for the year ended December 31, 2004 from $23.9 million for the year ended December 31, 2003. Revenues from fixed-fee engagements increased $5.6 million, or 77.8%, to $12.8 million for the year ended December 31, 2004 from $7.2 million for the year ended December 31, 2003. Revenues from performance-based engagements increased $4.1 million, or 170.8%, to $6.5 million for the year ended December 31, 2004 from $2.4 million for the year ended December 31, 2003.

The overall $33.7 million increase in revenues resulted from a $21.5 million increase in revenues attributable to an increase in billable hours associated with new and existing client engagements and the hiring of additional consultants, a $8.3 million increase in revenues attributable to an increase in the average billing rate per hour and a $3.9 million increase in revenues attributable to an increase in our utilization rate. The average number of consultants increased to 206 for the year ended December 31, 2004 from 142 for the year ended December 31, 2003. The average billing rate per hour increased 14.1% to $218 for the year ended December 31, 2004 from $191 for the year ended December 31, 2003. Our utilization rate of 73.0% for the year ended December 31, 2004 was up from 65.3% for the year ended December 31, 2003.

Operating income

Operational Consulting segment operating income increased $16.2 million, or 238.7%, to $23.0 million in the year ended December 31, 2004 from $6.8 million in the year ended December 31, 2003. Segment operating margin increased to 34.3% in the year ended December 31, 2004 from 20.3% in the year ended December 31, 2003, primarily due to the increase in revenues discussed above, partially offset by an increase in direct costs in 2004, as well as investments made during 2003 to start a new practice and expand our capabilities in an existing practice in this segment.

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 361 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.

Total 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.

Operating expenses in the year ended December 31, 2003 included a $1.7 million charge for the loss associated with the abandonment of an office lease. Operating expenses in the partial year ended December 31, 2002 included 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 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 $45.6 million, or 203.7%, to $68.0 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 $42.4 million, or 214.1%, to $62.2 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 $0.9 million for the year ended December 31, 2003, and there were no revenues from performance-based engagements in 2002.

The overall $45.6 million increase in revenues resulted from a $35.2 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 $6.0 million increase in revenues attributable to an increase in the average billing rate per hour and a $4.4 million increase in revenues attributable to an increase in our utilization rate. The average number of consultants increased to 219 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 66.6% 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 $16.7 million, or 426.6%, to $20.6 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 30.3% 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 66.6% 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 $20.8 million, or 163.4%, to $33.5 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 $13.2 million, or 123.4%, to $23.9 million for the year ended December 31, 2003 from $10.7 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 $20.8 million increase in revenues resulted from an $20.4 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 $0.6 million decrease in revenues attributable to a decrease in the average billing rate per hour. The average number of consultants increased to 142 for the year ended December 31, 2003

from 84 for the partial year ended December 31, 2002. Our utilization rate of 65.3% 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 $191 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 $3.3 million, or 92.6%, to $6.8 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 20.3% 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 ten quarters during the period from January 1, 2003 to June 30, 2005. The following quarterly consolidated financial data has been prepared on the same basis as, and should be read together with, the consolidated financial statements and related notes contained elsewhere in this prospectus and reflects all adjustments of a normal recurring nature 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									
	Mar. 31, 2003	June 30, 2003	Sep. 30, 2003	Dec. 31, 2003	Mar. 31, 2004	June 30, 2004	Sep. 30, 2004	Dec. 31, 2004	Mar. 31, 2005	June 30, 2005
	(unaudited) (in thousands, except other operating data)									
Consolidated quarterly financial data:										
Revenues	$ 23,212	$ 23,711	$ 25,549	$ 29,014	$ 40,101	$ 41,503	$ 37,109	$ 40,837	$ 46,760	$ 50,517
Reimbursable expenses	2,069	1,837	2,105	2,797	3,443	3,647	3,225	4,046	4,370	4,691
Total revenues and reimbursable expenses	25,281	25,548	27,654	31,811	43,544	45,150	40,334	44,883	51,130	55,208
Direct costs and reimbursable expenses (exclusive of depreciation and amortization shown in operating expenses)(1):										
Direct costs	13,581	15,739	19,037	21,017	24,856	22,549	22,267	22,598	24,945	27,514
Stock-based compensation	—	—	18	9	12	174	144	648	999	1,240
Intangible assets amortization	—	—	—	—	—	—	—	—	—	385
Reimbursable expenses	2,069	1,848	2,138	2,874	3,523	3,542	3,161	4,055	4,387	4,704
Total direct costs and reimbursable expenses	15,650	17,587	21,193	23,900	28,391	26,265	25,572	27,301	30,331	33,843
Operating expenses:										
Selling, general and administrative	4,826	6,267	6,607	7,471	8,156	9,624	10,631	12,014	11,312	11,650
Stock-based compensation	—	—	9	5	2	58	53	320	411	456
Depreciation and amortization	1,290	1,368	1,492	1,178	603	472	607	683	847	1,109
Other operating expenses	—	—	1,668	—	2,139	—	1,336	—	—	—
Total operating expenses	6,116	7,635	9,776	8,654	10,900	10,154	12,627	13,017	12,570	13,215
Operating income (loss)	3,515	326	(3,315)	(743)	4,253	8,731	2,135	4,565	8,229	8,150
Other expense (income)	199	331	217	221	245	270	220	(43)	(166)	(64)
Income (loss) before provision (benefit) for income taxes	3,316	(5)	(3,532)	(964)	4,008	8,461	1,915	4,608	8,395	8,214
Provision (benefit) for income taxes	1,375	76	(1,367)	(206)	1,661	3,576	805	2,086	3,568	3,557
Net income (loss)	1,941	(81)	(2,165)	(758)	2,347	4,885	1,110	2,522	4,827	4,657
Accrued dividends on 8% preferred stock	253	263	275	275	273	285	299	74	—	—
Net income (loss) attributable to common stockholders	$ 1,688	$ (344)	$ (2,440)	$ (1,033)	$ 2,074	$ 4,600	$ 811	$ 2,448	$ 4,827	$ 4,657
Other operating data:										
Number of consultants (at period end) (2)	289	344	446	477	480	488	489	483	498	557
Utilization rate (3)	75.8%	69.4%	60.6%	62.7%	73.4%	71.8%	66.3%	77.8%	76.3%	76.1%
Average billing rate per hour (4)	$ 228	$ 220	$ 215	$ 210	$ 229	$ 248	$ 235	$ 243	$ 250	$ 254

(See footnotes on the following page.)

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(1) Intangible assets amortization relating to customer contracts is presented as a component of total direct costs. Depreciation, amortization of leasehold improvements and intangible assets amortization relating to customer relationships are presented as a component of operating expenses.
(2) Consultants consist of our billable professionals, excluding interns and independent contractors.
(3) 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.
(4) 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, proceeds generated by our initial public offering and debt capacity available under our credit facility. Cash and cash equivalents, consisting of demand deposits and short-term commercial paper, increased $23.8 million, from $4.3 million at December 31, 2003, to $28.1 million at December 31, 2004 primarily due to cash generated by our initial public offering and growth in our business. Cash and cash equivalents decreased $13.0 million, from $28.1 million at December 31, 2004, to $15.1 million at June 30, 2005 primarily due to the acquisition of Speltz & Weis LLC.

Operating activities

Cash flows generated by operating activities totaled $3.6 million for the six months ended June 30, 2005 and $0.9 million for the same period last year. Our operating assets and liabilities consist primarily of receivables from billed and unbilled services, accounts payable and accrued expenses, and accrued payroll and related benefits. The volume of billings and timing of collections and payments affect these account balances. The increase in cash provided by operations for the six months ended June 30, 2005 was attributable to improved financial results and moderation of the growth in our client receivables. Receivables from clients and unbilled services increased $7.5 million during the six months ended June 30, 2005 as compared to $11.1 million during the same period last year. These increases in cash provided by operations were partially offset by cash paid for payroll and related benefits and income taxes.

Cash flows generated by operating activities totaled $12.5 million for the year ended December 31, 2004 and $4.0 million for the year ended December 31, 2003. The increase in cash provided by operations for the year ended December 31, 2004 was primarily attributable to higher revenues and improved financial

results due to the general growth in our business. Receivables from clients and unbilled services increased $11.4 million during the year ended December 31, 2004 primarily due to increased revenues generated and billed. This increase in client balances was substantially offset by a $11.3 million increase in accounts payable and accrued expenses and accrued payroll and related benefits. Accrued payroll and related benefits at December 31, 2004 included $16.3 million of accrued bonuses, which we paid out in the first quarter of 2005.

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.

Investing activities

Cash used in investing activities was $16.7 million for the six months ended June 30, 2005 and $3.0 million for the same period last year. During the six months ended June 30, 2005, we used $12.4 million to acquire Speltz & Weis LLC, net of cash acquired of $1.8 million. Use of cash in both periods also 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. We estimate that our cash utilized for capital expenditures in 2005 will be approximately $8.0 million for the purchase of additional computers, network equipment, furniture and fixtures and leasehold improvements as our business continues to expand.

Cash used by investing activities was $6.9 million for the year ended December 31, 2004 and $4.2 million for the year ended December 31, 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.

Financing activities

During the six months ended June 30, 2005, we issued notes payable totaling $3.0 million relating to our acquisition of Speltz & Weis LLC. The notes accrue interest at 4% per annum and are payable in three equal annual installments beginning on May 8, 2006.

Cash provided by financing activities was $18.3 million for the year ended December 31, 2004 primarily due to cash proceeds generated by our initial public offering, which we used a portion of to redeem the outstanding 8% preferred stock and repay the 8% promissory notes as discussed below. On June 29,

2004, we paid a special dividend to our stockholders. The special dividend was declared on May 12, 2004 for each outstanding share of 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 was $1.3 million, or $0.09 per share of common stock and $9.64 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 described below, which we repaid the following day.

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.

After the consummation of our initial public offering on October 18, 2004, we used $15.1 million of our net proceeds from the initial public offering to redeem the outstanding 8% preferred stock, plus cumulative dividends and a liquidation participation amount totaling $2.6 million. Also on October 18, 2004, we used $10.7 million of our net proceeds from the initial public offering to repay the 8% promissory notes, including accrued and unpaid interest of $0.6 million.

Huron Consulting Services LLC had a bank credit agreement that expired on February 10, 2005 that allowed it to borrow up 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 were limited by any outstanding letters of credit. Borrowings under the credit agreement bore interest at either the prime rate or LIBOR, rounded up to the nearest whole percentage, plus 2.75%, and were secured by substantially all of Huron Consulting Services LLC's assets. The bank credit agreement included 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. As of December 31, 2004, we were in compliance with the bank credit agreement debt covenants and had no borrowings outstanding. The balance available under the 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.

Prior to the expiration of the bank credit agreement described above, we established a new facility. The new bank credit agreement, expiring on February 10, 2006, allows us to borrow up to the lesser of $25.0 million or the sum of (a) 85% of eligible accounts receivable and (b) the lesser of 40% of unbilled services and $5.0 million. Borrowings under the agreement will be limited by any outstanding letters of credit, will bear interest at LIBOR plus 1.75%, and will be secured by substantially all of our assets. The 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. As of June 30, 2005, we were in compliance with the bank credit agreement debt covenants and had no borrowings outstanding. The balance available under the agreement was $23.0 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.

Future needs

Our primary financing need has been to fund our growth. Our growth strategy includes 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,

proceeds from our initial public offering and borrowing availability under our credit agreement. Because we expect that our future annual growth rate in revenues and related percentage increases in working capital balances will moderate, we believe cash generated from operations and the initial public offering, supplemented as necessary by borrowings under our credit facility, 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, 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.

CONTRACTUAL OBLIGATIONS

The following table represents our obligations and commitments to make future payments under contracts, such as lease agreements, and under contingent commitments as of December 31, 2004 (in thousands).

	Less than 1 year	1-3 years	4-5 years	After 5 years	Total
Operating leases	$ 4,461	$ 9,149	$ 8,668	$ 14,601	$ 36,879
Purchase obligations	1,303	49	20	—	1,372
Total contractual obligations	$ 5,764	$ 9,198	$ 8,688	$ 14,601	$ 38,251

We lease our facilities and certain equipment under operating lease arrangements expiring on various dates through 2014, with various renewal options. 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. Certain leases provide for monthly payments of real estate taxes, insurance and other operating expense applicable to the property. Some of the leases contain provisions whereby the future rental payments may be adjusted for increases in operating expenses above the specified amount. In addition, we lease equipment under noncancelable operating leases.

Purchase obligations include information technology and telecommunication obligations, as well as other commitments to purchase services where we cannot cancel or would be required to pay a termination fee in the event of cancellation.

We also have fixed cash flow requirements relating to the notes payable we issued in conjunction with the acquisition of Speltz & Weis LLC during the six months ended June 30, 2005. The notes totaled $3.0 million and are payable in three equal annual installments beginning on May 8, 2006, together with accrued interest at 4% per annum.

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 swaps, 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 rate tied to the LIBOR or prime rate. We had no borrowings outstanding

under our bank credit agreement as of December 31, 2004 and June 30, 2005; therefore, any change in interest rates would not have a material effect on our financial position or operating results.

At June 30, 2005, we had notes payable totaling $3.0 million that are payable in three equal annual installments beginning on May 8, 2006. We are not exposed to interest rate risks in respect to these notes as they bear a fixed interest rate at 4% per annum.

From time to time, we invest excess cash in marketable securities. These investments principally consist of overnight sweep accounts and short-term commercial paper. 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 December 2004, the Financial Accounting Standards Board issued SFAS No. 123 (revised 2004), "Share-Based Payment," ("SFAS No. 123R"). In April 2005, the SEC adopted a new rule that amends the effective date of SFAS No. 123R. Under the new rule, we must adopt SFAS No. 123R effective January 1, 2006. This statement requires that the costs of employee share-based payments be measured at fair value on the awards' grant date and be recognized in the financial statements over the requisite service period. SFAS No. 123R supersedes APB 25 and its related interpretations, and eliminates the alternative to use APB 25's intrinsic value method of accounting, which we are currently using. Additionally, SFAS No. 123R amends SFAS No. 95, "Statement of Cash Flows," to require that excess tax benefits be reported as a financing cash inflow rather than as a reduction of taxes paid.

SFAS No. 123R allows for two alternative transition methods. The first method is the modified prospective application whereby compensation cost for the portion of awards for which the requisite service has not yet been rendered that are outstanding as of the adoption date will be recognized over the remaining service period. The compensation cost for that portion of awards will be based on the fair value of those awards on the grant date as calculated for pro forma disclosures under SFAS No. 123, as originally issued. All new awards and awards that are modified, repurchased, or cancelled after the adoption date will be accounted for under the provisions of SFAS No. 123R. The second method is the modified retrospective application, which requires that we restate prior period financial statements. The modified retrospective application may be applied either to all prior periods or only to prior interim periods in the year of adoption of this statement. We are currently determining which transition method we will adopt and do not expect the adoption of SFAS No. 123R to have a material impact on our financial position, results of operations, earnings per share or cash flows.

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;
- performing valuations of businesses or assets to assist clients with financial reporting, tax compliance, damage or purchase price assessments and restructuring efforts; and
- performing interim management, organizational renewal and turnaround services and other crisis management services for distressed hospitals and other healthcare facilities.

Our operational consulting services include:

- assisting research universities and academic medical centers with research administration opportunities and challenges;
- assisting healthcare payors and providers to improve the effectiveness of operations and reduce costs;
- helping in-house legal departments and law firms improve their operations and reduce their costs and providing forensic technology and discovery services;
- developing and implementing procurement plans that provide savings throughout the sourcing process; and
- 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.

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.

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 believe that many other consulting firms provide 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 557 on June 30, 2005. 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 June 30, 2005, we had 71 managing directors who are consultants. These individuals have an average of 21 years of business experience. 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.

In October 2004, we completed our initial public offering and our common stock began trading on the NASDAQ National Market. On May 9, 2005, we acquired 100% of the outstanding membership interests of Speltz & Weis LLC, a specialized consulting firm consisting of 26 consultants. Speltz & Weis LLC is now part of our Financial Consulting segment.

We provide our services to a wide variety of both financially sound and distressed organizations, including Fortune 500 companies, medium-sized businesses, leading academic institutions, hospitals and healthcare organizations and the law firms that represent these various organizations. Since May 2002, we have conducted over 1,500 engagements for over 1,000 clients, and we have worked on engagements with 37 of the 40 largest U.S. law firms listed in The American Lawyer 2005 Am Law 100.

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 Securities and Exchange Commission, or SEC, has conducted an increasing number of public company investigations over the past few years. Between fiscal 2003 and 2004, the SEC increased its enforcement staffing by approximately 29% and initiated approximately 950 investigations. For fiscal year 2005, Congress approved 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. For fiscal 2006, the President has recommended a budget of $888 million. 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 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 36% in 2004 compared to 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 June 30, 2005, our 71 managing directors who are consultants have an average of 21 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 leads 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 Vice President of Operations 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 June 30, 2005, we more than doubled the number of our consultants from 213 to 557. We have seven 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 have hired. We will also continue in the near term to hire talented managing directors to build our business. We expect to have 600 consultants by the end of September 2005, including consultants of Speltz & Weis LLC.
- **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. We intend to focus on the following principal client areas: (1) lawyers and their law firms; (2) the general counsel of Fortune 1000 companies; (3) higher education and research institutions; (4) the healthcare sector (which includes providers, payors and pharmaceutical companies); (5) distressed companies and industries; and (6) the CFOs and COOs of companies with revenues of $1 billion to $20 billion.
- **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. For example, given the challenges faced by general counsels regarding legal compliance and litigation management, we believe the general counsel market represents a large growth opportunity.

- **Pursuing strategic acquisitions**. We also intend to evaluate select acquisitions of complementary businesses as another means to broaden the scope or depth of our capabilities and expand our client base. For example, our recent acquisition of Speltz & Weis LLC has enabled us to provide a greater scope of services in the healthcare provider space by bolstering our capabilities to include interim management and related services to distressed hospitals and other healthcare providers.

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, 2004 and the six months ended June 30, 2005, we derived 57.9% and 56.0%, respectively, of our revenues from Financial Consulting and 42.1% and 44.0%, respectively, from Operational Consulting. For further financial information on our segment results, see “Management’s discussion and analysis of financial condition and results of operations” and note 15, “Segment Information” in the notes to our audited 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 284 consultants as of June 30, 2005. 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 the 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.
- **Corporate advisory services**. Our corporate advisory services practice provides consulting assistance 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.

- Ø **Valuation services**. Our valuation services practice delivers expert valuation analysis to clients and their advisors. We perform valuations of businesses, financial interests, intellectual property, real property, machinery and 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.
- Ø **Interim management/Focused consulting**. With our acquisition of Speltz and Weis LLC, we can provide additional services to distressed hospitals and other healthcare facilities. Our interim management/focused consulting practice typically provides the following services:
  - Interim management: serving as on-site senior management, including Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, with a specialization in managing distressed hospital systems and facilities; also provide chief restructuring officers to facilities in bankruptcy;
  - Focused consulting: the interim managers are supported by consultants that provide revenue cycle improvements, cost reduction initiatives, clinical support, revenue generation/business development, financial planning and analysis and litigation support; and
  - Bankruptcies, workouts and restructuring: in addition to providing chief restructuring officers to facilities in bankruptcy, we provide creditor relations and facilitation and reorganization planning and out-of-court workouts.

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 273 consultants as of June 30, 2005. This segment's practices and the services they offer include:

- Ø **Higher education**. Our higher education practice provides operational consulting services to colleges, 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.
- Ø **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/ancillary services. Additionally, we provide risk management and regulatory compliance solutions. For healthcare payors, we focus on compliance and government contracting issues related to federal healthcare programs. Our Medicare contract services include Medicare contract transition and termination assistance, implementation of cost accounting standards, secondary payer analyses, strategic assessments, proposal support services and assistance related to implementation of the

Medicare Modernization Act. We assist pharmaceutical companies with pricing analyses and related aspects of regulatory disclosures and calculations. We also assist health plans with various operational issues including claims processing over and under-payments, Pharmacy Benefit Manager audits and business performance reporting.

- **Legal business consulting.** Our legal business consulting practice helps both in-house legal departments and outside counsel enhance the quality of legal services while reducing costs by more efficiently aligning strategy, people, processes and technology. We provide strategic advice to help legal departments and law firms improve their organizational design, business processes, and management of outside counsel and we work with organizations and law firms to provide solutions to enhance their discovery process management and electronic discovery needs. One area of emphasis is helping clients to choose and implement technology-powered solutions that improve legal department operations. We provide a full array of forensic technology and discovery services that include discovery process execution, electronic discovery services, computer forensics, data management, and program management, all aimed at reducing costs, coordinating matters and people and streamlining processes. We also 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 provide similar services for document management systems, patent management applications and electronic billing systems.
- **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, contract compliance, 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 increase effectiveness of operations or decrease costs by developing and implementing solutions for clients in areas such as business alignment, operational improvement, cost efficiency and organizational alignment.

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 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 1,500 engagements for over 1,000 clients, and we have worked on engagements with 37 of the 40 largest U.S. law firms listed in The American Lawyer 2005 Am Law 100. Our top ten clients represented 27.8% and 38.8% of our revenues in the year ended December 31, 2004 and the six months ended June 30, 2005. No single client accounted for more than 10% of our revenues in 2004. Revenues from one client represented 12.6% of our revenues in the six months ended June 30, 2005. The following are examples of engagements that we have performed for our clients.

Financial Consulting

Practice	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.
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.

Business

Practice	Client need	Huron solution
Interim management/ Focused consulting	Provide interim management and performing focused consulting services for a large hospital system in the United States	ø Provided experienced senior executive management, including the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and various department managers. ø Made revenue cycle improvements by analyzing and correcting back-office operations, monitoring tools that report key metrics, improving coding and automation and analyzing and renegotiating payor contracts to improve performance including arranging for significant increases in cash flow, improved relations with trade creditors and system improvements for the long term.

Operational Consulting

Practice	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 regulators	ø Evaluated current operations and provided a plan for implementation of improvements to research administration infrastructure, including: – roles and responsibilities within central university units and departmental units; – organizational structure of the research enterprise, including its relationship with other university entities; –business processes; –information systems; –personnel; –training and educational programs; and –performance measures 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 identified areas where the university could reduce its costs of procuring goods and services, such as through library services, scientific supplies or office-related products.

Practice	Client need	Huron solution
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 and implemented plans for sustained improvements in: –supply chain; –revenue cycle; and –organizational effectiveness.
	Assist in recovering overpaid claims	ø Assisted a large health insurance organization perform a detailed analysis of its coordination of benefits programs. ø Identified a significant number of claims that had been paid in error by the client and assisted the client in recovering these overpayments.
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.
	Implement an electronic discovery system and an enterprise-wide discovery management solution	ø Evaluated existing electronic document and hard-copy/image-based discovery processes. ø Recommended and implemented an electronic document discovery solution to successfully reprocess documents and provide a review and production platform. ø Structured and managed the electronic review, including providing the on-site attorney training, system metrics and user reports. ø Developed end-to-end company wide solution for all discovery management needs from issuance of legal holds through case archival and record retention.

Practice	Client need	Huron solution
Performance improvement	Devise an overarching strategy for the supply chain function for a large consumer products client	ø Synthesized market research, customer feedback and industry benchmarks to provoke discussion about future direction and priorities in the supply chain arena. ø Facilitated a process to build consensus among senior management from across major business units leading to the development of a long-range plan and a series of near-term initiatives.

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 both individuals and teams thrive and individuals are rewarded not only for their own contributions but also for the success of our organization as a whole. 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 that motivates individual performance and promotes teamwork.

As of June 30, 2005, we had 690 employees, consisting of 557 consultants and 133 non-billable professionals. The 557 consultants consisted of 71 managing directors, 86 directors, 135 managers and 265 associates and analysts. Of these consultants, 133 have a master’s degree in business administration, 84 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. In addition to our consultants and non-billable professionals, in certain cases we also utilize independent contractors.

Our 133 non-billable professionals at June 30, 2005 consisted of 10 managing directors, 29 directors, 20 managers, 39 associates and analysts and 35 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. Managing directors set goals with their practice leader using a balanced scorecard. The incentive 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 incentive pool is based on our achievement of annual financial goals and each practice's achievement of its financial goals. In addition, managing directors and certain high-performing directors 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.

We also from time to time host conferences that facilitate client development opportunities. For example, in the third quarter of 2005 we are hosting a general counsel conference and a corporate advisory services summit.

In addition, to complement the business development efforts of our managing directors, we have 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 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 Chicago, Illinois, consisting of approximately 82,668 square feet of office space, under a lease that expires in September 2014. We have two five-year renewal options under the lease that will allow us to continue to occupy this office space until September 2024. 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 and their ages as of August 15, 2005.

Name	Age	Position(s)
Gary E. Holdren	55	Chairman of the Board, Chief Executive Officer and President
George E. Massaro	57	Vice Chairman of the Board
Daniel P. Broadhurst	46	Vice President of Operations and Assistant Secretary
Gary L. Burge	51	Vice President, Chief Financial Officer and Treasurer
Natalia Delgado	51	General Counsel and Corporate Secretary
James K. Rojas	37	Vice President of Corporate Development
Mary M. Sawall	49	Vice President, Human Resources
DuBose Ausley	68	Director
Deborah A. Bricker	53	Director
James D. Edwards	61	Director
John McCartney	52	Director
Paul G. Yovovich	51	Director

The following is information regarding each of our executive officers and board members:

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 since June 2003 and President of Huron Consulting Services LLC since we commenced operations in May 2002. He was elected Chairman of the board of directors on November 3, 2004. 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 a director since May 2004 and Vice Chairman since March 2005. He has served as Vice Chairman of Huron Consulting Services LLC since March 2005. On or about January 1, 2006, Mr. Massaro intends to reduce his workload to a part time, or approximately one-third, basis and dedicate his efforts to strategic initiatives for us, including major client assignments. He served as our Chief Operating Officer and as Chief Operating Officer of Huron Consulting Services LLC from June 2003 until March 2005. Mr. Massaro joined Huron Consulting Services LLC in August 2002 as a managing director and subsequently became the leader of our disputes and investigations 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.

Daniel P. Broadhurst has served as our Vice President of Operations since March 2005. He has served as Vice President and Assistant Secretary of Huron Consulting Services LLC since January 2004 and as a Managing Director of Huron Consulting Services LLC since May 2002. Mr. Broadhurst served as our Vice President, Quality and Corporate Development from May 2004 to March 2005 and as Assistant Secretary since May 2004. Mr. Broadhurst assists with the day-to-day operations and works closely with the Huron Consulting Services LLC practice group leaders regarding practice performance, resource planning and all other aspects of business planning. He also continues to serve as the Quality Officer for Huron Consulting Services LLC. His expertise covers large and complex accounting and litigation matters related to international and domestic tax law, regulatory issues, breach of contract, purchase price disputes, intellectual property, fraud, tort, environmental, and other claims against government agencies. Previously, Mr. Broadhurst served as managing partner of Arthur Andersen LLP's 450 person Central Region economic and financial consulting group from 1998 through 2002 and managing partner for the Central Region litigation consulting group from 1996 through 1997. Mr. Broadhurst serves as Treasurer and is a board member of the Illinois CPA Society. 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 member of the Department of Accountancy Advisory Board of Northern Illinois University. Mr. Burge 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.

James K. Rojas, has served as our Vice President of Corporate Development since March 2005. He has served as a managing director of Huron Consulting Services LLC since May 2002. Mr. Rojas focuses his energies on managing alliances, joint ventures, acquisitions and workforce development. His expertise includes large and complex litigation matters related to international and domestic tax law, breach of contract, fraud, environmental issues, and antitrust. Mr. Rojas also has provided interim management services to clients, leading groups of over 300 finance and accounting professionals. Most recently, Mr. Rojas had administration responsibilities for our disputes and investigations practice in Chicago. Previously he was a partner at Arthur Andersen LLP from 2001 to 2002. Prior to that he was a senior manager in their economic and financial consulting group. He is a certified public accountant.

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 2002, and at marchFIRST 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 was appointed to our board of directors on October 12, 2004. 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 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 and Blue Cross and Blue Shield of Florida, Inc. He was also Chairman of the Capital City Bank Group, Inc. from 1982 to 2003.

Deborah A. Bricker was appointed to our board of directors on October 12, 2004. 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 was appointed to our board of directors on October 12, 2004. 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, Transcend Services, Inc., a provider of medical transcription services to the healthcare industry, and Crawford & Company, a global provider of claims management solutions. Mr. Edwards is a member of the American Institute of Certified Public Accountants.

John McCartney was appointed to our board of directors on October 12, 2004. He has served as a director of Westcon Group, Inc., a specialty distributor of networking and communications equipment, 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 May 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. Mr. McCartney is a certified public accountant.

Paul G. Yovovich was appointed to our board of directors on November 2, 2004. Mr. Yovovich 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. Lake Capital Management LLC assisted in our formation and provided management services to us prior to our initial public offering. Lake Capital Management LLC is an affiliate of HCG Holdings LLC, which is one of the

selling stockholders in this offering. Mr. Yovovich serves on the boards of 3Com Corporation, a provider of voice and data networking products, services and solutions, several private companies and several not-for-profit entities. Mr. Yovovich is a certified public accountant. In recognition of the substantial reduction in HCG Holdings LLC's ownership percentage following this offering, Mr. Yovovich has advised us that he intends to resign from our board in connection with this offering.

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. The number of directors is currently fixed at seven. Each of Mr. Ausley, Ms. Bricker, Mr. Edwards and Mr. McCartney is an independent director in accordance with the independence requirements of the NASDAQ National Market and the rules of the SEC.

Our certificate of incorporation divides our board into three classes, with one class to be elected each year to serve for a three-year term. Class I directors have a term expiring in 2008, Class II directors have a term expiring in 2006 and Class III directors have a term expiring in 2007.

Class I is composed of Mr. Massaro and Mr. Yovovich, Class II is composed of Ms. Bricker and Mr. Ausley and Class III is composed of Messrs. Edwards, Holdren and McCartney.

BOARD COMMITTEES

We have three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit committee

The audit committee is comprised of three directors elected by a majority of the board. The audit committee oversees our accounting and financial reporting processes, as well as the audits of our financial statements, including retaining and discharging our auditors. Our audit committee complies with the independence requirements of the NASDAQ National Market and the rules of the SEC under the Securities Exchange Act of 1934, as amended. The audit committee is comprised of Messrs. McCartney (Chairperson), Edwards and Ausley.

Compensation committee

The compensation committee is comprised of three directors elected by a majority of the board. The compensation committee oversees the administration of our benefit plans, reviews and administers all compensation arrangements for executive officers and establishes and reviews general policies relating to the compensation and benefits of our officers and employees. Our compensation committee complies with the independence requirements of the NASDAQ National Market. The compensation committee is comprised of Ms. Bricker (Chairperson) and Messrs. McCartney and Ausley.

Nominating and corporate governance committee

The nominating and corporate governance committee is comprised of three directors elected by a majority of the board. The nominating and corporate governance committee's responsibilities 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 complies with the independence requirements of the NASDAQ National Market. The nominating and corporate governance committee is 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.

COMPENSATION OF DIRECTORS

We pay each of our non-employee directors $40,000 per year and $1,000 for each meeting of the board of directors or any committee of the board that he or she attends. Each new non-employee director receives a restricted stock award of 15,000 shares. Each non-employee director receives an additional 5,700 shares of restricted common stock annually. We also pay a fee of $10,000 to the chairman of the audit committee and a fee of $7,500 to the chairs of each of the compensation committee and nominating and corporate governance committee for acting as a committee chair. On October 18, 2004, we granted each independent director options exercisable for 12,903 shares of our common stock under our 2004 Omnibus Stock Plan. These options have a per share exercise price equal to $15.50. One third of the options granted to directors vested on the grant date, one third vested on the date of our 2005 annual meeting and the final one third will vest on the date of the 2006 annual meeting.

All of our directors are reimbursed for out-of-pocket expenses for attending board and committee meetings.

COMPENSATION OF EXECUTIVE OFFICERS

The following table discloses the 2003 and 2004 annual and long-term compensation awarded to, earned by or paid by us to our Chief Executive Officer and to each of our other four highest paid executive officers whose total compensation exceeded $100,000 for the fiscal year ended December 31, 2004. We refer to these five executive officers as “named executive officers.”

Summary compensation table

		Annual compensation			Long-term compensation		
Name and principal position	Year	Salary ($)	Bonus ($)	Other annual compensation ($)(1)	Securities underlying options/SARs (#)	Restricted stock award(s)(2)	All other compensation ($)(3)
Gary E. Holdren	2004	800,000	850,000	53,918	43,479	158,700	72,131
Chief Executive Officer(4)	2003	750,000	500,375	—	43,479	—	23,412
George E. Massaro	2004	600,000	300,000	—	21,740	32,600	46,957
Chief Operating Officer(5)	2003	450,000	350,625	—	86,958	—	22,980
Daniel P. Broadhurst	2004	485,000	142,000	—	2,174	10,900	21,866
Vice President and Assistant Secretary(6)	2003	485,000	184,167	—	6,522	—	18,963
Gary L. Burge	2004	250,000	175,000	—	6,522	10,900	32,021
Chief Financial Officer	2003	225,000	75,000	—	2,174	—	16,649
Mary M. Sawall	2004	250,000	150,000	—	6,522	6,500	24,617
Vice President, Human Resources	2003	225,000	100,000	—	8,696	—	15,540

(See footnotes on the following page.)

(1) *Other annual compensation consists of personal use of a corporate jet that we lease as needed. Other amounts, which are under the thresholds for reporting, were earned by Messrs. Massaro and Broadhurst in connection with the gross-up for taxes paid to multiple states and the payment for tax assistance services.*

(2) *The aggregate holdings and market value of the unvested restricted common stock held as of December 31, 2004 by the individuals listed are: Mr. Holdren (158,700 shares, $3,523,140); Mr. Massaro (32,600 shares, $723,720); Mr. Broadhurst (10,900 shares, $241,980); Mr. Burge (10,900 shares, $241,980); and Ms. Sawall (6,500 shares, $144,300). The "value" is calculated according to SEC rules assuming all shares are vested as of December 31, 2004, which in fact, they have not. The shares vest 25% annually over four years from the grant date.*

(3) *All other compensation consists of the following:*

		Mr. Holdren	Mr. Massaro	Mr. Broadhurst	Mr. Burge	Ms. Sawall
Long-term disability insurance premiums	2004	$ 8,336	$ 6,577	$ 4,833	$ 1,768	$ 1,669
	2003	7,382	5,988	4,594	1,621	1,496
Life insurance premiums	2004	4,030	5,052	2,369	3,049	2,065
	2003	4,030	4,992	2,369	3,028	2,044
Special payout for earned but unused paid time off	2004	47,465	23,028	2,364	14,904	8,583
	2003	—	—	—	—	
401(k) match	2004	12,300	12,300	12,300	12,300	12,300
	2003	12,000	12,000	12,000	12,000	12,000

(4) *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.*

(5) *Mr. Massaro became Vice Chairman on March 15, 2005.*

(6) *Mr. Broadhurst became Vice President of Operations on March 15, 2005.*

Option grants in last fiscal year

The following table sets forth information regarding stock options granted to the named executive officers during fiscal 2004 pursuant to our stock option plans.

	Individual grants				Potential realizable value at assumed annual rates of stock appreciation for the option term(2)		
Name	Number of securities underlying options granted(1)	% of Total options granted to employees in fiscal year	Exercise or base price ($/share)	Expiration date	0%	5%	10%
Gary E. Holdren	43,479	7.92%	1.9550	03/17/2014	$ 588,923	$ 1,012,843	$ 1,662,854
George E. Massaro	21,740	3.96%	1.9550	03/17/2014	294,468	506,433	831,446
Daniel P. Broadhurst	2,174	0.40%	1.9550	03/17/2014	29,447	50,643	83,145
Gary L. Burge	6,522	1.19%	1.9550	03/17/2014	88,340	151,930	249,434
Mary M. Sawall	6,522	1.19%	1.9550	03/17/2014	88,340	151,930	249,434

(1) *All options vest 25% on each grant anniversary over four years, subject to the executive's continued employment.*

(2) *Calculated on the assumption that the market value of the underlying stock increases at the stated values compounded annually for the ten-year term of the option and that the option is exercised and sold on the last day of its term for the appreciated stock price. 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 the initial public offering price of $15.50 per share. The numbers are calculated based on the requirements of the SEC and do not reflect our estimate of future stock price growth.*

Aggregated option exercises in last fiscal year and fiscal year end option values

The following table sets forth information with respect to the named executive officers concerning the exercise of options during fiscal 2004 and unexercised options held as of the end of fiscal 2004.

Name	Number of shares acquired on exercise	Value realized	Number of securities underlying unexercised options at December 31, 2004		Value of unexercised in-the-money options at December 31, 2004(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Gary E. Holdren	10,870	98,754	0	76,088	0	1,585,402
George E. Massaro	0	0	54,349	86,959	1,188,798	1,836,987
Daniel P. Broadhurst	9,784	93,388	16,303	7,065	361,552	149,781
Gary L. Burge	0	0	20,108	8,153	445,635	167,308
Mary M. Sawall	0	0	20,924	13,044	462,832	273,076

(1) Based on the market price of $22.20 per share, which was the closing price per share of our common stock on the NASDAQ National Market on the last day of 2004, less the exercise price payable for such shares.

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, Mr. Holdren’s annual base salary is $800,000 and his annual performance bonus target is set by the compensation committee. In 2005, his target annual performance bonus is $850,000. His compensation is subject to annual review. Mr. Holdren received a guaranteed minimum payment in the amount of $112,500 with respect to his annual bonus for the twelve months ended May 13, 2005. Additional bonus amounts for calendar 2005 may be paid to Mr. Holdren 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. Mr. Holdren or his estate is entitled to 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, on December 10, 2002, pursuant to a separate restricted shares award agreement under our 2002 Equity Incentive Plan. All of these shares became fully vested upon consummation of our initial public offering in October 2004. In addition, Mr. Holdren has the ability to exercise certain piggyback registration rights with respect to these shares. Pursuant to these piggyback registration rights, if 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 cut back provisions in the event that, in connection with an underwritten offering, the managing underwriter advises us and Mr. Holdren that the inclusion of all the securities sought to be included in the registration by us, Mr. Holdren, any persons who have sought to have shares registered thereunder pursuant to demand registration rights and any other proposed sellers would adversely affect the marketability of the securities sought to be sold pursuant thereto. Pursuant to the agreement, we are obligated to pay all expenses incidental to our performance of, or compliance with, our obligations in connection with the piggyback registration rights.

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, which generally cannot be reduced once increased, and is eligible to participate in our annual performance bonus plan. His compensation is subject to annual review. For 2005, Mr. Massaro's annual base salary has been set at $600,000 and his annual bonus target has been set at $300,000. Mr. Massaro received a guaranteed minimum bonus payment of $37,500 with respect to his annual bonus for the twelve months ended August 12, 2005. Additional bonus amounts for calendar 2005 may be paid to Mr. Massaro 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 or the Chief Executive Officer, 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. In accordance with the original terms of the grants under our 2002 Equity Incentive Plan, options granted under that plan vested fully upon consummation of our initial public offering in October 2004.

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 and medical benefits, 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 medical 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.

On or about January 1, 2006, Mr. Massaro intends to reduce his workload to a part time, or approximately one-third, basis and dedicate his efforts to strategic initiatives for us, including major client assignments. Prior to this occurring, we intend to adopt a second amendment to Mr. Massaro's senior management agreement that will supersede all previous agreements. This second amendment to his agreement, which will have an effective date no later than December 31, 2005, allows for Mr. Massaro to work 60 hours per month on average during a calendar year. Effective as of the date of the second amendment, Mr. Massaro will receive a minimum annual base salary of $200,000 and will be eligible for a discretionary incentive. All stock options held as of the effective date of the agreement will continue to vest and the term of the awards will not change as long as Mr. Massaro remains employed by us or a member of the board. Unvested restricted stock from the October 12, 2004 grant will be cancelled on the agreement's effective date and restricted stock granted March 17, 2005 will continue to vest as long as Mr. Massaro remains employed by us or a board member. Mr. Massaro will not be eligible for future equity grants unless he is working on a full-time basis as defined by the company.

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 and an annual target bonus of $260,000. Mr. Broadhurst received a guaranteed minimum bonus payment of $65,000 with respect to such bonus for the twelve months ended May 15, 2005. Additional bonus amounts for calendar 2005 may be paid to Mr. Broadhurst based on the achievement of performance goals set by the Chief Executive Officer. Mr. Broadhurst is also eligible for additional bonuses in the event that our annual earnings exceed targets set by our compensation committee or the Chief Executive Officer, 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 vested fully upon consummation of our initial public offering in October 2004.

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 and medical benefits, 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 medical benefit continuation. In certain situations, these benefits may be reduced to limit Mr. Broadhurst's excise tax burden.

Burge senior management agreement

Huron Consulting Services LLC has also entered into a senior management agreement with Mr. Burge. Mr. Burge's agreement, which was effective November 25, 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 Mr. Burge provide notice that the agreement will not renew. Under the terms of the agreement, Mr. Burge receives an annual base salary, which generally cannot be reduced once increased, and is eligible to participate in our annual performance bonus plan. For 2005, Mr. Burge's annual base salary has been set at $275,000 and his annual bonus target has been set at $200,000. Mr. Burge is also eligible for additional bonuses in the event that our annual earnings exceed targets set by our compensation committee or the Chief Executive Officer, in amounts that the compensation committee determines to be appropriate.

Mr. Burge was also granted options to acquire 26,087 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 grants under our 2002 Equity Incentive Plan, options granted under that plan vested fully upon consummation of our initial public offering in October 2004.

Mr. Burge'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. Burge during the six-month period following such a termination, earned but unpaid annual bonus for the calendar year immediately preceding the termination, and continuation of medical benefits for six months. In order to receive such severance payments, Mr. Burge must execute a general release in favor of us. Mr. Burge 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. Burge has also agreed to certain restrictive covenants that will survive for one year following termination of his employment pursuant to which, among other things, he will not interfere with our relationships with our employees or customers.

In September 2004, we adopted an amendment to Mr. Burge's senior management agreement that provides Mr. Burge with certain change in control benefits. Pursuant to the amendment, if Mr. Burge's employment is terminated within 24 months following a change of control, either by us without cause or by Mr. Burge 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 medical benefit continuation. In certain situations, these benefits may be reduced to limit Mr. Burge's excise tax burden.

Sawall senior management agreement

Huron Consulting Services LLC has also entered into a senior management agreement with Ms. Sawall. Ms. Sawall's agreement, which was effective May 1, 2002, had 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 will not renew. Under the terms of the agreement, Ms. Sawall receives an annual base salary, which generally cannot be reduced once increased, and is eligible to participate in our annual performance bonus plan. For 2005, Ms. Sawall's annual base salary has been set at $275,000 and her annual bonus target has been set at $150,000. Ms. Sawall is also eligible for additional bonuses in the event that our annual earnings exceed targets set by our compensation committee or the Chief Executive Officer, 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. In accordance with the original terms of the grants under our 2002 Equity Incentive Plan, options granted under that plan vested fully upon consummation of our initial public offering in October 2004.

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 and medical benefits, 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 medical 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 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)) prior to our initial public offering. These 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. Since our initial public offering, no further awards have been or will be granted under these equity incentive plans. Since our initial public offering, we have and will continue to issue future stock-based awards only under our 2004 Omnibus Stock Plan, which we adopted immediately prior to the completion of our initial public offering, further described below.

We have reserved 2,802,828 shares of common stock for issuance under our three existing equity incentive plans adopted prior to our initial public offering. Of that number, as of August 15, 2005, 521,740 shares have been issued as restricted stock awards, all of which are fully vested, and 639,536 shares have been issued upon the exercise of options. As of August 15, 2005, 1,255,108 shares of common stock are issuable upon the exercise of outstanding options, with a weighted average exercise price of $0.78 per share. As of August 15, 2005, options exercisable for 594,748 shares issued pursuant to these equity incentive plans are fully vested.

Our compensation committee administers these equity incentive plans. 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

In connection with our initial public offering, we adopted our 2004 Omnibus Stock Plan, or the Omnibus Plan, which replaced our then existing plans for grants of equity-based compensation. 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. Of that number, as of August 15, 2005, 1,411,397 shares have been issued as restricted stock awards and are outstanding, none of which are vested, and no shares have been issued upon the exercise of options. As of August 15, 2005, 126,098 shares of common stock are issuable upon the exercise of outstanding options, with a weighted average exercise price of $15.94 per share. As of August 15, 2005, options exercisable for 34,408 shares issued pursuant to the Omnibus Stock Plan are fully vested. 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.

The Omnibus Plan is 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 has the responsibility for

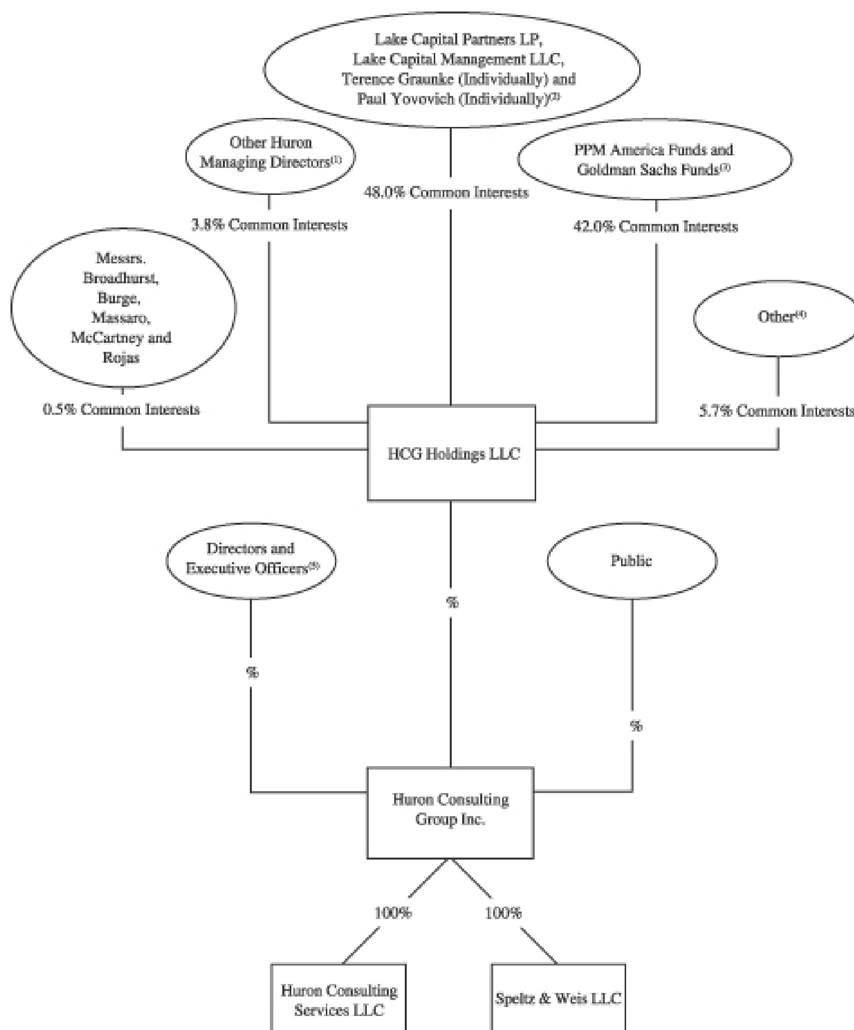
interpreting the Omnibus Plan and determining all of the terms and conditions of awards made under the Omnibus Plan, including when they will become exercisable or otherwise vest. The compensation committee has the authority to accelerate the exercisability and/or vesting of any outstanding award at 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.

We filed 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.

Certain relationships and related transactions

The following organizational chart sets forth the corporate structure and percentage ownership of common interests 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 does not give effect to 1,381,206 shares of common stock issuable upon the exercise of outstanding options at August 15, 2005 (including shares of common stock that will be issued upon the exercise of options by certain selling stockholders in connection with this offering).



(1) The 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 owns more than 1.0% of the common interests in HCG Holdings LLC.

(Footnotes continued on following page.)

(2) Lake Capital Partners LP and Lake Capital Management LLC own 40.9% and 0.1%, respectively, of the common interests in 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. Each of Mr. Graunke and Mr. Yovovich individually own 4.0% and 3.0%, respectively, of the common interests in HCG Holdings LLC.

(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 31.5% 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 3.1%, 1.1%, 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 common interests in HCG Holdings LLC, except for The Hamilton Companies LLC, which owns 1.4% of the common interests.

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

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 had a stated value of $1,000 and accrued 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 was payable annually, accrued at a rate of 8% per year. The 8% promissory notes were scheduled to mature five years and six months from the date of issuance, but were mandatorily prepaid upon the consummation of our initial public offering.

HCG Holdings LLC currently owns approximately 50.1% of our outstanding common stock. 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, three of our board members and 31 other holders. The executive officers and members of our board holding interests in HCG Holdings LLC are Messrs. Broadhurst, Burge, Massaro, McCartney, Rojas and Yovovich (with respect to his direct interest) who hold 0.09%, 0.09%, 0.17%, 0.09%, 0.04% and 3.0% respectively, of the common interests in HCG Holdings LLC. Mr. Yovovich is president and a member of Lake Capital Management LLC and controls Lake Capital Partners LP.

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 $9.64 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, McCartney, Rojas and Yovovich (with respect to his direct interest) received an aggregate amount of approximately $4,540, $4,540, $90,790, $9,079, $4,540, $2,270 and $46,530, respectively, of which approximately $1,097, $1,097, $21,933, $2,193, $1,097, $548 and $11,242, respectively, was paid out of the proceeds of the dividend. Prior to consummation of this offering, HCG Holdings LLC will redeem the 1.7% common membership interest formerly held by Mr. Holdren in exchange for shares of our common stock owned by HCG Holdings LLC and certain cash consideration.

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

Upon consummation of the initial public offering, we used $15.1 million of our net proceeds to redeem our outstanding 8% preferred stock and $10.7 million to repay our outstanding 8% promissory notes. All of our 8% preferred stock and 8% promissory notes were owned by HCG Holdings LLC. HCG Holdings LLC distributed substantially all of the proceeds that it received in connection with its investment in us to its members in accordance with its organizational documents, including the proceeds it received from the sale of the shares in our initial public offering, the redemption of the outstanding 8% preferred stock and the repayment by us of the 8% promissory notes. As a result, Messrs. Broadhurst, Burge, Holdren, Massaro, McCartney, Rojas and Yovovich received payments of approximately $53,380, $53,380, $1,067,600, $106,760, $53,380, $26,690 and $1,261,877, respectively.

INITIAL PUBLIC OFFERING EXPENSES

In connection with our initial public offering, in which HCG Holdings LLC participated as a selling stockholder, we paid all of the offering expenses of HCG Holdings LLC, other than underwriting discounts and commissions and transfer taxes with respect to the shares sold by 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, approximately $105,000 for the year ended December 31, 2004. Certain employees of Lake Capital Management LLC 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.

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. All of Mr. Holdren's shares of restricted common stock became vested as of the consummation of our initial public 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.

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 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 restricted common stock in that registration, subject to cut back provisions in the event that, in connection with an underwritten offering, the managing underwriter advises us and Mr. Holdren that the inclusion of all the securities sought to be included in the registration by us, Mr. Holdren, any persons who have sought to have shares registered thereunder pursuant to demand registration rights and any other proposed sellers would adversely affect the marketability of the securities sought to be sold pursuant thereto. Pursuant to the agreement, we are obligated to pay all expenses incident to our performance of, or compliance with, our obligations in connection with the piggyback registration rights.

HCG Holdings LLC registration rights

We and HCG Holdings LLC have entered into a registration rights agreement pursuant to which HCG Holdings LLC is entitled to certain demand, piggyback and shelf registration rights with respect to the 8,864,576 shares of our common stock held by it. These shares are referred to as registrable securities.

- **Demand registrations.** 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. However, a registration will not count as one of the six permitted demand registrations unless HCG Holdings LLC is able to register and sell at least 70% of the registrable securities requested to be included in such registration. This offering constitutes a demand registration under the agreement.

- **Shelf registration rights.** 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.

- **Piggyback registration rights.** 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 connection with an underwritten offering in the event the managing underwriters advise us that 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 that is acceptable. HCG Holdings LLC will have priority over any stockholder granted registration rights after the date of our initial public offering in any subsequent registration statement.

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. Under the agreement, in connection with this offering, we will be responsible for 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.

MANAGEMENT RIGHTS LETTER AGREEMENT

We have entered 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 is 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 agreed to customary confidentiality restrictions on the use of information provided to or learned by it in connection with its rights under the agreement. We have not and 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

HCG Holdings LLC

In connection with the initial public offering, in which HCG Holdings LLC participated as a selling stockholder, we paid all of the offering expenses of HCG Holdings, other than underwriting discounts and commissions and transfer taxes with respect to the shares sold by HCG Holdings LLC.

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, $66,500 for the 2004 season and are responsible for $68,900 for the 2005 season.

Family relationships

Mr. Massaro's son-in-law, Marc Mercier, is currently employed by us as a manager. In this capacity, he received total compensation of approximately $22,700, $61,250 and $73,500 for the partial year ended December 31, 2002 and the years ended December 31, 2003 and 2004, 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 $212,000 was paid in 2004. We have internalized the services performed for us by Highline Technology by hiring a Director of Information Technology in November 2004. We have terminated our original agreement with Highline Technology in accordance with its terms and have entered into an agreement with Highline to provide limited consulting services to our information technology group on a time and materials basis. We have paid a total of $12,696 for the six months ended June 30, 2005 under the new agreement.

Principal and selling stockholders

The following table sets forth, as of August 15, 2005, 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;
- each of our named executive officers;
- all directors and executive officers as a group; and
- each 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, 5% or more stockholder or selling 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.

Except as noted below, this table does not take into account the underwriters exercise of their over-allotment option.

	Beneficial ownership prior to offering			Beneficial ownership post offering	
Name of beneficial owner(1)	**Shares**	**%**	**Shares offered**	**Shares**	**%**
5% Holders, Directors and Executive Officers:					
HCG Holdings LLC(2)	8,864,576	51.6%	4,000,000	4,864,576	%
Terence M. Graunke(2)	8,864,576	51.6	4,000,000	4,864,576	
Paul G. Yovovich(2)	8,864,576	51.6	4,000,000	4,864,576	
Gary E. Holdren(3)	752,348	4.4	—		
George E. Massaro(4)	120,139	*			*
Daniel P. Broadhurst(6)	62,314	*			*
Gary L. Burge(5)	61,304	*			*
Mary M. Sawall(7)	45,579	*			*
DuBose Ausley(8)	8,602	*	—		*
Deborah A. Bricker(8)	18,202	*	—		*
James D. Edwards(8)	11,802	*	—		*
John McCartney(8)(9)	8,602	*	—		*
All directors and executive officers as a group (12 persons)(10)	10,024,679	57.7%			%
Other Selling Stockholders:					
		%			%

* 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.

(Footnotes continued on following page.)

(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 Lake Capital Partners LP, Lake Capital Investment Partners LP, Lake Partners LLC, Lake Capital Management LLC, Mr. Graunke and Mr. Yovovich disclaim 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 600,000 shares. Immediately following the offering and assuming the exercise of the overallotment in full, HCG Holdings LLC will own 4,264,576 shares, or   % of the total number of outstanding shares.

(3) Includes 10,869 shares issuable upon exercise of options that are exercisable currently or within 60 days of August 15, 2005 and 198,000 shares of unvested restricted common stock. Also includes 521,740 shares held in trust for Mr. Holdren's wife and children as to which he disclaims beneficial ownership. Excludes   shares to be received from HCG Holdings LLC in redemption of the 1.7% of the outstanding common interests in HCG Holdings LLC.

(4) Includes 57,069 shares issuable upon exercise of options that are exercisable currently or within 60 days of August 15, 2005. Also includes 52,200 shares of unvested restricted common stock. Does not include any shares in respect of Mr. Massaro's ownership of 0.17% of the outstanding common interests in HCG Holdings LLC.

(5) Includes 22,282 shares issuable upon exercise of option that are exercisable currently or within 60 days of August 15, 2005. Also includes 25,000 shares of unvested restricted common stock. Does not include any shares in respect of Mr. Burge's ownership of 0.09% of the outstanding common interests in HCG Holdings LLC.

(6) Includes 18,477 shares issuable upon exercise of options that are exercisable currently or within 60 days of August 15, 2005. Also includes 21,100 shares of unvested restricted common stock. Does not include any shares in respect of Mr. Broadhurst's ownership of 0.09% of the outstanding common interests in HCG Holdings LLC.

(7) Includes 24,728 shares issuable upon exercise of options that are exercisable currently or within 60 days of August 15, 2005. Also includes 16,700 shares of unvested restricted common stock.

(8) Includes 8,602 shares issuable upon exercise of options that are exercisable currently or within 60 days of August 15, 2005.

(9) Does not include any shares in respect of Mr. McCartney's ownership of 0.09% of the outstanding common interests in HCG Holdings LLC.

(10) Includes an aggregate of 192,322 shares issuable upon exercise of options held by members of the group that are exercisable currently or within 60 days of August 15, 2005. Also includes 350,400 shares of unvested restricted common stock. Does not include any shares in respect of the 3.5% of the outstanding common interests in HCG Holdings LLC collectively held by members of the group.

Description of capital stock

The following is a description of the material terms of our certificate of incorporation and bylaws 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 are incorporated by reference as exhibits to the registration statement of which this prospectus forms a part, and by the applicable provisions of Delaware law.

As of August 15, 2005, there were 17,231,089 shares of our common stock issued, of which 17,175,239 were outstanding and held of record by 72 stockholders.

Our authorized capital stock consists of:

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

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

Our common stock is quoted on the NASDAQ National Market under the symbol "HURN."

Shares eligible for future sale

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, a number of shares will not be available for sale 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 an aggregate of outstanding shares of common stock, including 1,411,397 shares of unvested restricted common stock. As of August 15, 2005, we had outstanding stock options held by executive officers, employees, third-party consultants and board members for the purchase of an aggregate of 1,381,206 shares of common stock.

The shares of common stock being sold in this offering (or shares if the underwriters exercise the over-allotment option in full) will be, and the 5,750,000 shares previously sold in our initial public offering are, 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. Except for shares issued pursuant to the Form S-8 we have on file, all remaining shares were issued and sold by us in private transactions or issued by us in reliance on Rule 701 of the Securities Act 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 executive officers and each selling stockholder has signed lock-up agreements under which, subject to certain permitted exceptions specified in the agreements, 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 90 days after the date of this prospectus. The 90-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 90-day period. UBS Securities LLC, in its sole discretion, may release some or all of these shares before the 90-day lockup period ends.

Following the expiration of the lock-up period, shares of common stock subject to these agreements, including shares issuable upon the exercise of vested options 90 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 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 shares; 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.

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 our initial public 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 our initial public 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 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 August 15, 2005, 379,396 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 filed a registration statement on Form S-8 under the Securities Act covering the 2,141,000 shares that are reserved for issuance under our Omnibus Stock Plan as well as 1,612,640 shares reserved for issuance upon the exercise of options outstanding under our three existing equity incentive plans. This Form S-8 registration statement automatically became effective upon filing. Accordingly, shares registered under this registration statement are, subject to Rule 144 provisions applicable to affiliates, 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.

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.”

We and HCG Holdings LLC have entered into a registration rights agreement pursuant to which HCG Holdings LLC is entitled to certain demand, piggyback and shelf registration rights with respect to all of the shares of our common stock held by it. For further information regarding these registration rights, see the section of this prospectus entitled “Certain relationships and related transactions—Registration rights—HCG Holdings LLC registration rights.”

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

The selling stockholders are offering the shares of our common stock described in this prospectus through the underwriters named below. UBS Securities LLC, William Blair & Company, L.L.C. and Deutsche Bank Securities Inc. are acting as joint book-running managers and together with Robert W. Baird & Co. Incorporated are the representatives of the underwriters. We and the selling stockholders 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	
William Blair & Company, L.L.C.	
Deutsche Bank Securities Inc.	
Robert W. Baird & Co. Incorporated	
Total	

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.

The common stock of the selling stockholders is offered subject to a number of conditions, including:

- receipt and acceptance of our common stock by the underwriters; and
- 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

HCG Holdings LLC, a selling stockholder, has granted the underwriters an option to buy up to 600,000 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 discount of up to $0.   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 $0.   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 that the selling stockholders will pay to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares.

	No exercise	Full exercise
Per Share	$	$
Total	$	$

Pursuant to a registration rights agreement with HCG Holdings LLC, we are required to pay the expenses relating to this offering, excluding the underwriting discounts and commissions which will be borne by the selling stockholders. These expenses will have an approximately $ million impact on our net income for the remainder of the year.

NO SALES OF SIMILAR SECURITIES

We, each member of our board, each of our executive officers and each 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, 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 90 days after the date of this prospectus. The 90-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 90-day period. At any time and without public notice, UBS Securities LLC, may, in its sole discretion, release all or some of the securities from these lock-up agreements.

We and each 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 stockholders 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.

NASDAQ NATIONAL MARKET QUOTATION

Our common stock is quoted 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.

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.

Notice to Investors

European Economic Area

With respect to each Member State of the European Economic Area which has implemented Prospectus Directive 2003/71/EC, including any applicable implementing measures, from and including the date on which the Prospectus Directive is implemented in that Member State, the offering of our common stock in this offering is only being made:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

United Kingdom

Shares of our common stock may not be offered or sold and will not be offered or sold to any persons in the United Kingdom other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses and in compliance with all applicable provisions of the FSMA with respect to anything done in relation to shares of our common stock in, from or otherwise involving the United Kingdom. Without limitation to the other restrictions referred to herein, this offering circular is directed only at (1) persons outside the United Kingdom, (2) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (3) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Without limitation to the other restrictions referred to herein, any investment or investment activity to which this offering circular relates is available only to, and will be engaged in only with, such persons, and persons within the United Kingdom who receive this communication (other than persons who fall within (2) or (3) above) should not rely or act upon this communication.

Switzerland

Shares of our common stock may be offered in Switzerland only on the basis of a non-public offering. This prospectus does not constitute an issuance prospectus according to articles 652a or 1156 of the Swiss Federal Code of Obligations or a listing prospectus according to article 32 of the Listing Rules of the Swiss exchange. The shares of our common stock may not be offered or distributed on a professional basis in or from Switzerland and neither this prospectus nor any other offering material relating to shares of our common stock may be publicly issued in connection with any such offer or distribution. The shares have not been and will not be approved by any Swiss regulatory authority. In particular, the shares are not and will not be registered with or supervised by the Swiss Federal Banking Commission, and investors may not claim protection under the Swiss Investment Fund Act.

Legal matters

The validity of the shares of our common stock offered by this prospectus will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP, Chicago, Illinois, and for the underwriters by Katten Muchin Rosenman LLP, 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 Rosenman LLP has acted as our counsel on various matters unrelated to this offering.

Experts

The consolidated financial statements of Huron Consulting Group Inc. as of December 31, 2003 and 2004 and for the period from March 19, 2002 (inception) to December 31, 2002 and the years ended December 31, 2003 and 2004 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.

The financial statements of Speltz & Weis LLC as of December 31, 2004 and for the year ended December 31, 2004 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 file annual, quarterly and special reports, proxy statements and other information with the SEC. You are able to inspect and copy these reports, proxy statements and other information without charge at the Public Reference Room the SEC maintains at 100 F Street, NE, Room 1580, 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.

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 obtain the registration statement and its exhibits and schedules from the SEC.

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Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows present fairly, in all material respects, the financial position of Huron Consulting Group Inc. and its subsidiary at December 31, 2004 and 2003, and the results of their operations and their cash flows for the years ended December 31, 2004 and 2003 and the period from March 19, 2002 (inception) to December 31, 2002 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
February 14, 2005, except as to Note 15 which is as of August 26, 2005

AUDITED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	December 31, 2004	December 31, 2003
Assets		
Current assets:		
Cash and cash equivalents	$ 28,092	$ 4,251
Receivables from clients, net	21,750	15,118
Unbilled services, net	10,830	7,946
Income tax receivable	494	2,286
Deferred income taxes	7,919	1,946
Other current assets	3,053	837
Total current assets	72,138	32,384
Property and equipment, net	8,975	4,498
Other assets:		
Deferred income taxes	1,450	2,333
Deposits	656	674
Total other assets	2,106	3,007
Total assets	$ 83,219	$ 39,889
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	$ 2,809	$ 1,396
Accrued expenses	3,334	3,822
Accrued payroll and related benefits	20,494	13,914
Deferred revenue	2,603	2,273
Interest payable to HCG Holdings LLC	—	820
Total current liabilities	29,240	22,225
Non-current liabilities:		
Accrued expenses	598	—
Deferred lease incentives	4,148	—
Total non-current liabilities	4,746	—
Commitments and contingencies:		
Notes payable to HCG Holdings LLC	—	10,076
8% preferred stock, $1,000 per share stated value plus accrued 8% annual cumulative dividends; 106,840 shares authorized; 0 and 12,500 shares issued and outstanding at December 31, 2004 and December 31, 2003, respectively	—	14,212
Stockholders' equity (deficit)		
Common stock (previously named Class A common stock)*; $0.01 par value; 500,000,000 shares authorized; 16,364,574 and 11,281,243 shares issued and outstanding at December 31, 2004 and December 31, 2003, respectively	164	259
Class B common stock (retired in 2004)*; $0.01 par value; 6,486,715 shares authorized; 682,348 shares issued and outstanding at December 31, 2003	—	16
Additional paid-in capital	59,608	42
Deferred stock-based compensation	(12,281)	—
Retained earnings (deficit)	1,742	(6,941)
Total stockholders' equity (deficit)	49,233	(6,624)
Total liabilities and stockholders' equity	$ 83,219	$ 39,889

* Adjusted to reflect a 1 for 2.3 reverse stock split effected on October 5, 2004.

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

AUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	Year Ended December 31, 2004	Year Ended December 31, 2003	March 19, 2002 (inception) to December 31, 2002
Revenues and reimbursable expenses:			
Revenues	$159,550	$101,486	$ 35,101
Reimbursable expenses	14,361	8,808	2,921
Total revenues and reimbursable expenses	173,911	110,294	38,022
Direct costs and reimbursable expenses:			
Direct costs	92,270	69,374	26,055
Stock-based compensation expense	978	27	—
Reimbursable expenses	14,281	8,929	2,921
Total direct costs and reimbursable expenses	107,529	78,330	28,976
Operating expenses:			
Selling, general and administrative	40,425	25,171	8,813
Stock-based compensation expense	433	14	—
Depreciation and amortization	2,365	5,328	3,048
Restructuring charges	3,475	—	—
Management and advisory fees paid to related parties	—	—	2,750
Loss on lease abandonment	—	1,668	—
Organization costs	—	—	965
Total operating expenses	46,698	32,181	15,576
Operating income (loss)	19,684	(217)	(6,530)
Other expenses:			
Interest expense, net	692	856	332
Other	—	112	1
Total other expenses	692	968	333
Net income (loss) before provision (benefit) for income taxes	18,992	(1,185)	(6,863)
Provision (benefit) for income taxes	8,128	(122)	(2,697)
Net income (loss)	10,864	(1,063)	(4,166)
Accrued dividends on 8% preferred stock	931	1,066	646
Net income (loss) attributable to common stockholders	$ 9,933	$ (2,129)	$ (4,812)
Net income (loss) attributable to common stockholders per share*:			
Basic	$ 0.77	$ (0.18)	$ (0.41)
Diluted	$ 0.72	$ (0.18)	$ (0.41)
Weighted average shares used in calculating net income (loss) attributable to common stockholders per share*:			
Basic	12,820	11,871	11,803
Diluted	13,765	11,871	11,803

* Adjusted to reflect a 1 for 2.3 reverse stock split effected on October 5, 2004.

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

AUDITED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

(In thousands, except share amounts)

	Common Stock (previously Class A Common Stock)		Class B Common Stock (retired in 2004)		Stock Subscription Receivable	Additional Paid-In Capital	Deferred Stock-based Compensation	Retained Earnings (Deficit)	Stockholders' Equity (Deficit)
	Shares*	Amount	Shares*	Amount					
Balance at March 19, 2002 (inception)	—	$ —	—	$ —	$ —	$ —	$ —	$ —	$ —
Net loss	—	—	—	—	—	—	—	(4,166)	(4,166)
Issuance of Class A common stock	11,281,243	259	—	—	—	—	—	—	259
Issuance of Class B common stock	—	—	521,740	12	—	—	—	—	12
Stock subscription receivable	—	—	—	—	(2)	—	—	—	(2)
Accrued dividends on 8% preferred stock	—	—	—	—	—	—	—	(646)	(646)
Balance at December 31, 2002	11,281,243	259	521,740	12	(2)	—	—	(4,812)	(4,543)
Net loss	—	—	—	—	—	—	—	(1,063)	(1,063)
Exercise of stock options	—	—	160,608	4	—	—	—	—	4
Stock option compensation	—	—	—	—	—	42	—	—	42
Stock subscription receivable	—	—	—	—	2	—	—	—	2
Accrued dividends on 8% preferred stock	—	—	—	—	—	—	—	(1,066)	(1,066)
Balance at December 31, 2003	11,281,243	259	682,348	16	—	42	—	(6,941)	(6,624)
Net income	—	—	—	—	—	—	—	10,864	10,864
Dividends paid	—	—	—	—	—	—	—	(1,250)	(1,250)
Issuance of common stock in connection with:									
Initial public offering, net of offering costs	3,333,333	33	—	—	—	44,696	—	—	44,729
Restricted stock awards, net of cancellations	821,350	8	—	—	—	12,976	(12,984)	—	—
Exercise of stock options	29,846	—	216,454	2	—	51	—	—	53
Stock-based compensation	—	—	—	—	—	709	703	—	1,412
Income tax benefit on stock-based compensation	—	—	—	—	—	980	—	—	980
1 for 2.3 reverse stock split	—	(145)	—	(9)	—	154	—	—	—
Conversion of Class B common stock to common stock	898,802	9	(898,802)	(9)	—	—	—	—	—
Accrued dividends on 8% preferred stock	—	—	—	—	—	—	—	(931)	(931)
Balance at December 31, 2004	16,364,574	$ 164	—	$ —	$ —	$ 59,608	$ (12,281)	$ 1,742	$ 49,233

* Adjusted for a 1 for 2.3 reverse stock split effected on October 5, 2004.

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

AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year ended December 31, 2004	Year ended December 31, 2003	March 19, 2002 (inception) to December 31, 2002
Cash flows from operating activities:			
Net income (loss)	$ 10,864	$ (1,063)	$ (4,166)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,365	5,328	3,048
Loss on long-term deposits	—	111	—
Deferred income taxes	(5,090)	(1,568)	(2,710)
Stock-based compensation expense	1,412	42	—
Tax benefit from stock options exercised	980	—	—
Allowances for doubtful accounts and unbilled services	1,873	1,410	382
Changes in operating assets and liabilities:			
Increase in receivables from clients	(7,943)	(9,711)	(6,441)
Increase in unbilled services	(3,446)	(2,198)	(6,506)
Decrease (increase) in income tax receivable, net	2,741	(2,286)	—
Increase in other current assets	(2,114)	(449)	(388)
Decrease (increase) in deposits	18	98	(883)
Increase in accounts payable and accrued expenses	4,721	3,661	1,557
Increase in accrued payroll and related benefits	6,580	9,289	4,625
(Decrease) increase in interest payable to HCG Holdings LLC	(820)	477	343
Increase in deferred revenue	330	893	1,380
Net cash provided by (used in) operating activities	12,471	4,034	(9,759)
Cash flows from investing activities:			
Purchase of property and equipment, net	(6,943)	(4,179)	(2,312)
Acquisition of intangibles	—	(60)	(6,324)
Net cash used in investing activities	(6,943)	(4,239)	(8,636)
Cash flows from financing activities:			
Proceeds from issuance of common stock (previously named Class A common stock), net of offering costs	44,729	—	259
Proceeds from issuance of Class B common stock	—	3	9
(Redemption of) proceeds from issuance of 8% preferred stock	(12,500)	—	12,500
Payment of accrued dividends on 8% preferred stock	(2,643)	—	—
Proceeds from exercise of stock options	53	4	—
Proceeds from borrowings under line of credit	37,200	19,175	—
Repayments on line of credit	(37,200)	(19,175)	—
(Redemption of) proceeds from notes issued to HCG Holdings LLC	(10,076)	—	10,076
Dividends paid on common stock	(1,250)	—	—
Net cash provided by financing activities	18,313	7	22,844
Net increase (decrease) in cash and cash equivalents	23,841	(198)	4,449
Cash and cash equivalents:			
Beginning of the period	4,251	4,449	—
End of the period	$ 28,092	$ 4,251	$ 4,449
Noncash transaction:			
Accrued dividends on 8% preferred stock	$ 931	$ 1,066	$ 646
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 1,647	$ 417	$ —
Cash paid for taxes	$ 9,497	$ 3,736	$ —

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

Notes to audited consolidated financial statements

(Tabular amounts in thousands, except per share amounts)

1. Description of Business

Huron Consulting Group Inc. was formed on March 19, 2002. Huron Consulting Group Inc., together with its wholly owned subsidiary, Huron Consulting Services LLC, (collectively the "Company"), is an independent provider of financial and operational consulting services, whose clients include Fortune 500 companies, medium-sized and larger 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. On October 18, 2004, the Company completed its initial public offering ("IPO") of shares of its common stock (see Note 10).

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Principles of Consolidation

The consolidated financial statements include the accounts of Huron Consulting Group Inc. and its wholly owned subsidiary, Huron Consulting Services LLC. All material intercompany balances and transactions have been eliminated in consolidation.

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.

Reclassifications

Certain amounts reported in previous years have been reclassified to conform to the 2004 presentation.

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.

Allowances for Doubtful Accounts and Unbilled Services

The Company maintains allowances 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 allowances are assessed by management on a regular 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

The Company considers all highly liquid investments, including overnight investments and commercial paper, with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

To the extent receivables from clients become delinquent, collection activities commence. No single client 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 of the asset. Software, computers and related equipment are depreciated over an estimated useful life of 2 to 3 years. Furniture and fixtures are depreciated over 5 years. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the initial term of the lease.

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.” No impairment charges were recorded in 2004, 2003 and 2002.

Intangible Assets

The Company accounts for intangible assets in accordance with 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 deferred lease incentive liability at December 31, 2004 totaled $4.1 million and consists of $3.8 million of tenant improvement allowance. The remaining balance primarily represents rent abatement. Deferred lease incentives are amortized on a straight-line basis over the life of the lease. 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.

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.

Stock-Based Compensation

The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25 (“APB 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 the Company’s stock at the date of grant over the exercise price.

The following table details the effect on net income (loss) attributable to common stockholders and net income (loss) attributable to common stockholders per share if compensation expense for the stock plans had been recorded based on the fair value method under SFAS No. 123.

	Year Ended December 31,		March 19, 2002 (inception) to December 31, 2002
	2004	2003	
Net income (loss) attributable to common stockholders	$9,933	$(2,129)	$ (4,812)
Add: Total stock-based employee compensation expense included in reported net income (loss) net of related tax effects	844	25	—
Deduct: Total stock-based employee compensation expense determined under the fair value method for all awards, net of related tax effect	(943)	(28)	—
Pro forma net income (loss) attributable to common stockholders	$9,834	$(2,132)	$ (4,812)
Earnings per share:			
Basic—as reported	$ 0.77	$ (0.18)	$ (0.41)
Basic—pro forma	$ 0.77	$ (0.18)	$ (0.41)
Diluted—as reported	$ 0.72	$ (0.18)	$ (0.41)
Diluted—pro forma	$ 0.71	$ (0.18)	$ (0.41)

Segment Reporting

SFAS No. 131, “Disclosures about Segments of an Enterprise and Related Information,” establishes annual and interim reporting standards for an enterprise’s 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 Pronouncement

In December 2004, the Financial Accounting Standards Board issued SFAS No. 123 (revised 2004), “Share-Based Payment,” (“SFAS No. 123R”). In April 2005, the SEC adopted a new rule that amends the effective date of SFAS No. 123R. Under the new rule, the Company must adopt SFAS No. 123R effective January 1, 2006. This statement requires that the costs of employee share-based payments be measured at fair value on the awards’ grant date and be recognized in the financial statements over the requisite service period. SFAS No. 123R supersedes APB 25 and its related interpretations, and eliminates the alternative to use APB 25’s intrinsic value method of accounting, which we are currently using. Additionally, SFAS No. 123R amends SFAS No. 95, “Statement of Cash Flows,” to require that excess tax benefits be reported as a financing cash inflow rather than as a reduction of taxes paid.

SFAS No. 123R allows for two alternative transition methods. The first method is the modified prospective application whereby compensation cost for the portion of awards for which the requisite service has not yet been rendered that are outstanding as of the adoption date will be recognized over the remaining service period. The compensation cost for that portion of awards will be based on the grant-date fair value of those awards as calculated for pro forma disclosures under SFAS No. 123, as originally issued. All new awards and awards that are modified, repurchased, or cancelled after the adoption date will be accounted for under the provisions of SFAS No. 123R. The second method is the modified

retrospective application, which requires that the Company restates prior period financial statements. The modified retrospective application may be applied either to all prior periods or only to prior interim periods in the year of adoption of this statement. The Company is currently determining which transition method it will adopt and does not expect the adoption of SFAS No. 123R to have a material impact on its financial position, results of operations, EPS or cash flows.

3. Earnings Per Share

Basic earnings per share (EPS) excludes dilution and is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential reduction in EPS that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. EPS under the basic and diluted computation are as follows:

	Year ended December 31,		Mar. 19, 2002 (inception) to Dec. 31, 2002
	2004	2003	
Net income (loss)	$10,864	$ (1,063)	$ (4,166)
Dividends accrued on 8% preferred stock	(931)	(1,066)	(646)
Net income (loss) attributable to common stockholders	$ 9,933	$ (2,129)	$ (4,812)
Weighted average common shares outstanding basic	12,820	11,871	11,803
Weighted average common stock equivalents	945	—	—
Weighted average common shares outstanding diluted	13,765	11,871	11,803
Basic net income (loss) attributable to common stockholders per share	$ 0.77	$ (0.18)	$ (0.41)
Diluted net income (loss) attributable to common stockholders per share	$ 0.72	$ (0.18)	$ (0.41)

Prior to the redemption of the 8% preferred stock in 2004, the 8% preferred stockholders participated in any dividends paid to common stockholders on an as converted basis using the current period estimated fair market value of a share of common stock. Net loss is not allocated to preferred stockholders.

The computation of diluted EPS for the period from March 19, 2002 (inception) to December 31, 2002 excluded outstanding stock options of 842,826 because the strike prices for those securities were equal to the estimated average market price of the common shares. The computation of diluted EPS for the year ended December 31, 2003 excluded 1,599,185 outstanding stock options because the effect of these securities would have been anti-dilutive as the Company incurred a net loss for the year.

4. Restructuring Charges

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, which were paid by April 30, 2004, and $0.1 million for office lease payments, which were paid by August 31, 2004.

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 and recorded a pre-tax restructuring charge of $1.3 million in the third quarter of 2004. As of December 31, 2004, the Company has substantially utilized the restructuring reserve through cash payments for severance.

5. Property and Equipment

Property and equipment at December 31, 2004 and 2003, are detailed below:

	December 31,	
	2004	2003
Computers, related equipment and software	$ 5,746	$ 3,944
Furniture and fixtures	2,925	1,021
Leasehold improvements	4,520	1,525
Property and equipment	13,191	6,490
Accumulated depreciation and amortization	(4,216)	(1,992)
Property and equipment, net	$ 8,975	$ 4,498

6. 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 $5.5 million and the assumption of certain related liabilities in the amount of $0.8 million. 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 year ended December 31, 2003 and the period from March 19, 2002 (inception) to December 31, 2002 was $3.7 million and $2.6 million, respectively. The remaining net book value of the intangible asset was fully amortized during the year ended December 31, 2003.

7. 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 years ended December 31, 2004, 2003 and the period from March 19, 2002 (inception) to December 31, 2002 were $3.3 million, $2.3 million and $0.9 million, respectively.

8. 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, 2003 was $10.1 million. Interest accrued daily on the promissory notes at a rate of 8% per year and aggregated $0.8 million at December 31, 2003.

Upon the consummation of the IPO on October 18, 2004, the Company used $10.7 million of the net proceeds from the IPO to repay its notes payable to HCG Holdings LLC, including accrued and unpaid interest of $0.6 million.

9. Line of Credit and Guarantee

Huron Consulting Services LLC had a bank credit agreement that expired on February 10, 2005 that allowed it to borrow up 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 were limited by any outstanding letters of credit. Borrowings bore interest at either the prime

rate or LIBOR, rounded up to the nearest whole percentage, plus 2.75%, and were secured by substantially all of Huron Consulting Services LLC's assets. The borrowing facility was unused as of December 31, 2004 and 2003. At both December 31, 2004 and 2003, Huron Consulting Services LLC was in compliance with or obtained waivers for its debt covenants.

Prior to the expiration of the bank credit agreement described above, the Company established a new facility. The new bank credit agreement, expiring on February 10, 2006, allows the Company to borrow up to the lesser of $25.0 million or the sum of (a) 85% of eligible accounts receivable and (b) the lesser of 40% of unbilled services and $5.0 million. Borrowings under the agreement will be limited by any outstanding letters of credit, will bear interest at LIBOR plus 1.75%, and will be secured by substantially all of the Company's assets. The bank credit agreement includes covenants for minimum equity and maximum annual capital expenditures, as well as covenants restricting the Company's ability to incur additional indebtedness or engage in certain types of transactions outside of the ordinary course of business.

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

10. Capital Structure and Initial Public Offering

Prior to its IPO, the Company's capital structure consisted of 8% preferred stock, preferred stock and Class A and Class B common stock.

8% Preferred Stock

The 8% preferred stock had a stated value of $1,000 per share and accrued dividends on a daily basis, compounded annually, at the rate of 8% per annum on the stated value. Between April and June 2002, in connection with the Company's initial capitalization, the Company issued to HCG Holdings LLC an aggregate of 12,500 shares of the Company's 8% preferred stock for an aggregate consideration of $12.5 million. Upon the consummation of the Company's IPO on October 18, 2004, the Company used $15.1 million of the IPO proceeds to redeem all outstanding 8% preferred stock, plus cumulative dividends and a liquidation participation amount totaling $2.6 million.

Preferred Stock

The Company is expressly authorized to issue up to 50,000,000 shares of preferred stock. The Company's certificate of incorporation authorizes the Company's board of directors, 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. As of December 31, 2004 and 2003, no such preferred stock have been approved or issued.

Common Stock

Prior to the IPO, the Company had issued and outstanding Class A voting and Class B nonvoting common stock. Pursuant to the terms of the Company's certificate of incorporation, each share of the Company's Class B common stock was automatically converted into one share of Class A common stock immediately prior to the consummation of the IPO and the Company's Class A common stock was renamed to "common stock."

The holders of common stock are entitled to one vote for each share held of record on each matter submitted to a vote of stockholders. Subject to the rights and preferences of the holders of any series of

preferred stock that may at the time be outstanding, holders of common stock are entitled to such dividends as the Company's board of directors may declare. In the event of any liquidation, dissolution or winding-up of the Company's affairs, after payment of all of the Company's debts and liabilities and subject to the rights and preferences of the holders of any series of preferred stock that may at the time be outstanding, holders of common stock will be entitled to receive the distribution of any of the Company's remaining assets.

Dividends

On May 12, 2004, the Company declared a special dividend for each outstanding share of 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 was $1.3 million, or $0.09 per share of common stock and $9.64 per share of 8% preferred stock, and was paid on June 29, 2004.

Initial Public Offering

On October 18, 2004, the Company completed its IPO. In the IPO, the Company sold 3,333,333 shares of common stock and a selling stockholder, HCG Holdings LLC, sold 1,666,667 shares of common stock at an offering price of $15.50 per share. On October 22, 2004, the underwriters exercised in full their over-allotment option to purchase an additional 750,000 shares of common stock from the selling stockholder. The IPO generated gross proceeds to the Company of $51.7 million, or $48.0 million net of underwriting discounts. The Company did not receive any proceeds from the shares sold by the selling stockholder.

11. Equity Incentive Plans

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 non-voting shares may be granted.

Prior to the completion of the IPO, the Huron Consulting Group Inc. 2004 Omnibus Stock Plan (the "Omnibus Plan") was established. The plans described in the paragraph above were terminated and no further awards will be granted under these plans. The Omnibus Plan provides for the issuance of stock options and other equity-based awards valued in whole or in part by reference to, or otherwise based on, the Company's common stock. A total of 2,141,000 shares of common stock are reserved for issuance under the Omnibus Plan, of which 1,194,088 remain available for future issuance at December 31, 2004. Subject to acceleration under certain conditions, stock options generally vest annually, pro rata over 4 years. All options expire ten years after the grant date.

The stock option activity under the Company's various equity incentive plans is as follows (number of options in thousands):

	2004		2003		2002	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,599	$ 0.36	843	$ 0.02	—	$ —
Granted:						
Exercise price = fair market value	127	15.50	935	0.60	856	0.02
Exercise price < fair market value	422	1.96	—	—	—	—
Exercised	(246)	0.22	(161)	0.02	—	—
Canceled	(237)	0.85	(18)	0.18	(13)	0.02
Outstanding, end of year	1,665	$ 1.86	1,599	$ 0.36	843	$ 0.02
Exercisable, end of year	614	$ 0.58	47	$ 0.02	—	$ —
Weighted average fair value of options granted during the year:						
Exercise price = fair market value	$ 7.34		$ 0.69		$ —	
Exercise price < fair market value	$ 6.50		$ —		$ —	

The fair value of each stock option is estimated (on the date of grant) based on the Black-Scholes option-pricing model with the following weighted average assumptions:

	December 31,		
	2004	2003	2002
Expected dividend yield	0%	0%	0%
Expected volatility	12%	1%	1%
Risk-free interest rate	2.6%	2.3%	3.3%
Expected option life (in years)	4	4	5

Options outstanding and exercisable at December 31, 2004 are as follows (number of options in thousands):

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Options	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
$0.00 to $0.02	571	7.8	$ 0.02	492	$ 0.02
$0.03 to $0.85	593	8.5	$ 0.69	105	$ 0.74
$0.86 to $1.96	375	9.1	$ 1.96	—	—
$1.97 to $15.50	126	9.7	$ 15.50	17	$ 15.50
Total	1,665	8.5	$ 1.86	614	$ 0.58

The Company's Omnibus Plan also provides for granting restricted stock awards to certain employees and officers. Restricted stock awards are restricted from sale and generally vest over a three-year or four-year period. On October 12, 2004, immediately prior to the IPO, the Company granted a total of 767,700 shares of restricted common stock to certain employees and officers. On November 2, 2004, the Company granted an additional 68,850 shares of restricted common stock. Total compensation expense

relating to these restricted common stock awards of $13.2 million, which is based on the market value of the shares awarded at the date of grant, will be amortized on a straight-line basis over the vesting period. For the year ended December 31, 2004, amortization expense relating to these restricted common stock awards totaled $0.7 million.

12. Income Taxes

The income tax expense (benefit) for the years ended December 31, 2004 and 2003 and for the period from March 19, 2002 (inception) to December 31, 2002 consists of the following:

	Year ended December 31,		Mar. 31, 2002 (inception) to Dec. 31, 2002
	2004	2003	
Current:			
Federal	$ 9,592	$ 1,139	$ —
State	2,647	307	13
Total current	12,239	1,446	13
Deferred:			
Federal	(3,162)	(1,256)	(2,171)
State	(949)	(312)	(539)
Total deferred	(4,111)	(1,568)	(2,710)
Income tax expense (benefit)	$ 8,128	$ (122)	$ (2,697)

A reconciliation of the U.S. statutory income tax rate to the Company's effective tax rate is as follows. The 2003 tax rate effects of meals and entertainment and other non-deductible items are due to the ratio of non-deductible expense relative to the pretax loss for the year. Other non-deductible items include taxes not deductible for federal income tax purposes.

	Year ended December 31,		Mar. 19, 2002 (inception) to Dec. 31,
	2004	2003	
Percent of pretax income:			
At U.S. statutory tax rate expense (benefit)	35.0%	(35.0)%	(35.0)%
State income taxes	5.2	(5.2)	(5.1)
Meals and entertainment	2.5	17.9	0.8
Other non-deductible items	0.1	12.0	—
Effective income tax expense (benefit) rate	42.8%	(10.3)%	(39.3)%

Deferred tax assets at December 31, 2004 and 2003 consist of the following:

	Year ended December 31,	
	2004	2003
Deferred tax assets:		
Accrued payroll and other liabilities	$ 4,757	$1,144
Amortization of intangibles	2,064	2,283
Revenue recognition	1,787	720
Deferred lease incentives	1,374	69
Stock-based compensation	537	—
Net operating loss carryforward	194	408
Other	61	87
Total deferred assets	10,774	4,711
Deferred tax liabilities:		
Property and equipment	(967)	(300)
Prepaid expenses	(438)	(132)
Total deferred liabilities	(1,405)	(432)
Net deferred tax asset	$ 9,369	$4,279

At December 31, 2004, the Company had a net operating loss carryforward for U.S. federal income tax purposes of approximately $0.5 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, the Company determined that no valuation allowance against deferred tax assets at December 31, 2004 and 2003 was necessary.

13. 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 $1.5 million payment. The Company paid an additional $1.0 million 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 $0.3 million for certain advisory services. The advisory services agreement was terminated in July 2002.

14. 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 leases office space and certain equipment under noncancelable operating lease arrangements, expiring on various dates through 2014, with various renewal options. The Company's principal executive offices located in Chicago, Illinois are under a lease that expires in September 2014, with two five-year renewal options, and accounts for approximately 70% of the Company's future minimum rental commitments. Office facilities under operating leases include fixed or minimum payments plus, in some cases, scheduled base rent increases over the term of the lease. Certain leases provide for monthly payments of real estate taxes, insurance and other operating expenses applicable to the property. Some of the leases contain provisions whereby the future rental payments may be adjusted for increases in operating expenses above the specified amount. Rental expense, including operating costs and taxes, for the period from March 19, 2002 (inception) to December 31, 2002 and the years ended December 31, 2003 and 2004 was $1.2 million, $3.0 million and $4.1 million, respectively. Future minimum rental commitments under non-cancelable operating leases and sublease income as of December 31, 2004, are as follows:

	Minimum Rental Commitment	Sublease Income
2005	$ 4,461	$ 268
2006	4,419	299
2007	4,730	182
2008	4,380	
2009	4,288	
Thereafter	14,601	
Total	$ 36,879	$ 749

15. Segment Information

Segments are defined by SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," as components of a company in which separate financial information is available and is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

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.

Effective January 1, 2005, the Forensic Technology and Discovery Services group within the Financial Consulting segment was moved into the Operational Consulting segment to improve marketing synergies with the Legal Business Consulting practice. Previously reported segment information has been reclassified to reflect this change except for the year ended December 31, 2002 as the effect was immaterial. This reclassification had no impact on previously reported net income (loss).

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.

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:

	Year ended December 31, 2004	Year ended December 31, 2003	Mar. 19, 2002 (inception) to Dec. 31, 2002
Financial Consulting:			
Revenues	$ 92,378	$ 68,028	$ 22,400
Segment operating income	$ 34,365	$ 20,601	$ 3,912
Segment operating income as a percent of segment revenues	37.2%	30.3%	17.5%
Operational Consulting:			
Revenues	$ 67,172	$ 33,458	$ 12,701
Segment operating income	$ 23,009	$ 6,793	$ 3,527
Segment operating income as a percent of segment revenues	34.3%	20.3%	27.8%
Total Company:			
Revenues	$159,550	$101,486	$ 35,101
Reimbursable expenses	14,361	8,808	2,921
Total revenues and reimbursable expenses	$173,911	$110,294	$ 38,022
Statement of operations reconciliation:			
Segment operating income	$ 57,374	$ 27,394	$ 7,439
Charges not allocated at the segment level:			
Other selling, general and administrative expenses	31,417	20,601	7,206
Stock-based compensation expense	433	14	—
Depreciation and amortization expense	2,365	5,328	3,048
Restructuring charges	3,475	—	—
Loss on lease abandonment	—	1,668	—
Management and advisory fees paid to related parties and organization costs	—	—	3,715
Interest expense, net	692	856	332
Other (income) expense	—	112	1
Net income (loss) before provision (benefit) for income taxes	$ 18,992	$ (1,185)	$ (6,863)
Segment assets:			
Financial Consulting	$ 18,921	$ 15,961	$ 8,727
Operational Consulting	13,659	7,103	3,837
Unallocated assets	50,639	16,825	14,019
Total assets	$ 83,219	$ 39,889	$ 26,583

All long-lived assets are in the United States. During 2004, 2003 and 2002, no client in either segment accounted for 10% or more of total revenues of the Company.

16. Valuation and Qualifying Accounts

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

	Beginning balance	Additions charged to income	Deductions*	Ending balance
Period from March 19, 2002 (inception) to December 31, 2002:				
Allowance for doubtful accounts and unbilled services	$ —	841	459	$ 382
Year ended December 31, 2003:				
Allowance for doubtful accounts and unbilled services	$ 382	5,335	3,925	$ 1,792
Year ended December 31, 2004:				
Allowance for doubtful accounts and unbilled services	$ 1,792	9,051	7,178	$ 3,665

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

17. Selected Quarterly Financial Data (unaudited)

	Quarter Ended			
2004	Mar. 31,	Jun. 30,	Sep. 30	Dec. 31
Revenues	$ 40,101	$ 41,503	$ 37,109	$ 40,837
Reimbursable expenses	3,443	3,647	3,225	4,046
Total revenues and reimbursable expenses	43,544	45,150	40,334	44,883
Gross profit	15,153	18,885	14,762	17,582
Operating income	4,253	8,731	2,135	4,565
Net income attributable to common stockholders	2,074	4,600	811	2,448
Net income attributable to common stockholders per share*:				
Basic	$ 0.16	$ 0.35	$ 0.06	$ 0.16
Diluted	$ 0.15	$ 0.32	$ 0.06	$ 0.15
Weighted average shares used in calculating net income attributable to common stockholders per share*:				
Basic	11,974	12,050	12,180	15,061
Diluted	12,747	13,044	13,149	16,101

	Quarter Ended			
2003	Mar. 31,	Jun. 30,	Sep. 30	Dec. 31
Revenues	$ 23,212	$ 23,711	$ 25,549	$ 29,014
Reimbursable expenses	2,069	1,837	2,105	2,797
Total revenues and reimbursable expenses	25,281	25,548	27,654	31,811
Gross profit	9,631	7,961	6,461	7,911
Operating income (loss)	3,515	326	(3,315)	(743)
Net income (loss) attributable to common stockholders	1,688	(344)	(2,440)	(1,033)
Net income (loss) attributable to common stockholders per share*:				
Basic	$ —	$ (0.03)	$ (0.20)	$ (0.09)
Diluted	$ —	$ (0.03)	$ (0.20)	$ (0.09)
Weighted average shares used in calculating net income (loss) attributable to common stockholders per share*:				
Basic	11,803	11,809	11,927	11,946
Diluted	11,803	11,809	11,927	11,946

* Adjusted to reflect a 1 for 2.3 reverse stock spilt effected on October 5, 2004.

UNAUDITED CONSOLIDATED BALANCE SHEET

(In thousands, except share and per share amounts)

	June 30, 2005
Assets	
Current assets:	
Cash and cash equivalents	$ 15,099
Receivables from clients, net	25,682
Unbilled services, net	14,626
Income tax receivable	803
Deferred income taxes	9,664
Other current assets	3,305
Total current assets	69,179
Property and equipment, net	11,413
Other assets:	
Deferred income taxes	2,246
Deposits	641
Intangible assets, net	2,123
Goodwill	14,554
Total assets	$ 100,156
Liabilities and stockholders' equity	
Current liabilities:	
Accounts payable	$ 2,221
Accrued expenses	3,364
Accrued payroll and related benefits	18,877
Income tax payable	230
Deferred revenue	4,524
Current portion of notes payable	1,000
Total current liabilities	30,216
Non-current liabilities:	
Accrued expenses	444
Deferred lease incentives	4,200
Notes payable, net of current portion	2,000
Total non-current liabilities	6,644
Commitments and contingencies	—
Stockholders' equity	
Common stock; $0.01 par value; 500,000,000 shares authorized; 17,122,661 shares issued and 17,077,211 shares outstanding	171
Treasury stock, 45,450 shares, at cost	(750)
Additional paid-in capital	73,166
Deferred stock-based compensation	(20,517)
Retained earnings	11,226
Total stockholders' equity	63,296
Total liabilities and stockholders' equity	$ 100,156

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

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share amounts)

	Six Months Ended June 30,	
	2005	2004
Revenues and reimbursable expenses:		
Revenues	$ 97,277	$ 81,604
Reimbursable expenses	9,061	7,090
Total revenues and reimbursable expenses	106,338	88,694
Direct costs and reimbursable expenses (exclusive of depreciation and amortization shown in operating expenses):		
Direct costs	52,459	47,405
Stock-based compensation expense	2,239	186
Intangible assets amortization	385	—
Reimbursable expenses	9,091	7,065
Total direct costs and reimbursable expenses	64,174	54,656
Operating expenses:		
Selling, general and administrative	22,962	17,780
Stock-based compensation expense	867	60
Depreciation and amortization	1,956	1,075
Restructuring charges	—	2,139
Total operating expenses	25,785	21,054
Operating income (loss)	16,379	12,984
Other (income) expense:		
Interest (income) expense, net	(229)	516
Other income	(1)	(1)
Total other (income) expenses	(230)	515
Income before provision for income taxes	16,609	12,469
Provision for income taxes	7,125	5,237
Net income	9,484	7,232
Accrued dividends on 8% preferred stock	—	558
Net income attributable to common stockholders	$ 9,484	$ 6,674
Net income attributable to common stockholders per share:		
Basic	$ 0.61	$ 0.50
Diluted	$ 0.57	$ 0.47
Weighted average shares used in calculating net income attributable to common stockholders per share:		
Basic	15,597	12,011
Diluted	16,725	13,005

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

UNAUDITED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(In thousands, except share and per share amounts)

	Common Stock		Treasury Stock	Additional Paid-In Capital	Deferred Stock-based Compensation	Retained Earnings (Deficit)	Stockholders' Equity (Deficit)
	Shares	Amount					
Balance at December 31, 2004	16,364,574	$ 164	$ —	$ 59,608	$ (12,281)	$ 1,742	$ 49,233
Net income	—	—	—	—	—	9,484	9,484
Issuance of common stock in connection with:							
Restricted stock awards, net of cancellations	557,117	5	(750)	11,676	(10,931)	—	—
Exercise of stock options	209,620	2	—	102	—	—	104
Stock-based compensation	—	—	—	411	2,695	—	3,106
Income tax benefit on stock-based compensation	—	—	—	1,369	—	—	1,369
Balance at June 30, 2005	17,131,311	$ 171	$ (750)	$ 73,166	$ (20,517)	$ 11,226	$ 63,296

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

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Six Months Ended June 30,	
	2005	2004
Cash flows from operating activities:		
Net income	$ 9,484	$ 7,232
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,341	1,075
Deferred income taxes	(2,541)	(641)
Stock-based compensation expense	3,106	246
Tax benefit from stock-based compensation	1,369	744
Allowances for doubtful accounts and unbilled services	145	1,120
Changes in operating assets and liabilities:		
Increase in receivables from clients	(2,928)	(7,636)
Increase in unbilled services	(4,698)	(4,603)
(Increase) decrease in income tax receivable	(309)	2,286
Decrease (increase) in other current assets	2	(1,053)
Decrease in deposits	17	136
(Decrease) Increase in accounts payable and accrued expenses	(1,184)	702
(Decrease) increase in accrued payroll and related benefits	(1,618)	675
(Decrease) increase in income tax payable	(720)	748
Decrease in interest payable to HCG Holdings LLC	—	(417)
Increase in deferred revenue	1,088	324
Net cash provided by operating activities	3,554	938
Cash flows from investing activities:		
Purchase of property and equipment, net	(4,285)	(3,035)
Purchase of business, net of cash acquired	(12,366)	—
Net cash used in investing activities	(16,651)	(3,035)
Cash flows from financing activities:		
Proceeds from exercise of stock options	104	39
Proceeds from borrowings under line of credit	—	34,200
Repayments on line of credit	—	(34,200)
Dividends paid	—	(1,250)
Net cash provided by (used in) financing activities	104	(1,211)
Net decrease in cash and cash equivalents	(12,993)	(3,308)
Cash and cash equivalents:		
Beginning of the period	28,092	4,251
End of the period	$ 15,099	$ 943
Noncash transaction:		
Issuance of notes payable for purchase of business	$ 3,000	$ —
Accrued dividends on 8% preferred stock	$ —	$ 558
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 63	$ 920
Cash paid for taxes	$ 9,327	$ 2,100

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

Notes to unaudited consolidated financial statements

(Tabular amounts in thousands, except per share amounts)

1. Description of Business

Huron Consulting Group Inc. was formed on March 19, 2002. Huron Consulting Group Inc., together with its wholly owned subsidiaries, Huron Consulting Services LLC and Speltz & Weis LLC, (the “Company”), is an independent provider of financial and operational consulting services, whose clients include Fortune 500 companies, medium-sized businesses, leading academic institutions, healthcare organizations and the law firms that represent these various organizations. The majority of the issued and outstanding common stock of the Company is held by HCG Holdings LLC.

2. Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of management, these financial statements reflect all adjustments of a normal, recurring nature necessary for the fair presentation of the Company’s financial position, results of operations and cash flows for the interim periods presented in conformity with accounting principles generally accepted in the United States of America. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2004 included elsewhere in this prospectus. The Company’s results for any interim period are not necessarily indicative of results for a full year or any other interim period.

3. New Accounting Pronouncement

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (“SFAS”) No. 123 (revised 2004), “Share-Based Payment,” (“SFAS No. 123R”). In April 2005, the SEC adopted a new rule that amends the effective date of SFAS No. 123R. Under the new rule, the Company must adopt SFAS No. 123R effective January 1, 2006. This statement requires that the costs of employee share-based payments be measured at fair value on the awards’ grant date and be recognized in the financial statements over the requisite service period. SFAS No. 123R supersedes Accounting Principles Board Opinion No. 25 (“APB 25”), “Accounting for Stock Issued to Employees,” and its related interpretations, and eliminates the alternative to use APB 25’s intrinsic value method of accounting, which the Company is currently using. Additionally, SFAS No. 123R amends SFAS No. 95, “Statement of Cash Flows,” to require that excess tax benefits be reported as a financing cash inflow rather than as a reduction of taxes paid.

SFAS No. 123R allows for two alternative transition methods. The first method is the modified prospective application whereby compensation cost for the portion of awards for which the requisite service has not yet been rendered that are outstanding as of the adoption date will be recognized over the remaining service period. The compensation cost for that portion of awards will be based on the grant-date fair value of those awards as calculated for pro forma disclosures under SFAS No. 123, as originally issued. All new awards and awards that are modified, repurchased, or cancelled after the adoption date will be accounted for under the provisions of SFAS No. 123R. The second method is the modified retrospective application, which requires that the Company restate prior period financial statements. The Company is currently determining which transition method it will adopt and does not expect the adoption of SFAS No. 123R to have a material impact on its financial position, results of operations, earnings per share or cash flows.

4. Stock-based Compensation

The Company accounts for stock-based compensation using the intrinsic value method prescribed in APB 25 and related interpretations and elects the disclosure option of SFAS No. 123 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 the Company's stock at the date of grant over the exercise price.

The following table details the effect on net income attributable to common stockholders and net 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 No. 123.

	Six Months Ended June 30,	
	2005	2004
Net income attributable to common stockholders	$ 9,484	$6,674
Add: Total stock-based employee compensation expense included in reported net income, net of related tax benefits	1,857	143
Deduct: Total stock-based employee compensation expense determined under the fair market value method for all awards, net of related tax effects	(1,946)	(150)
Pro forma net income attributable to common stockholders	$ 9,395	$6,667
Earnings per share:		
Basic—as reported	$ 0.61	$ 0.50
Basic—pro forma	$ 0.60	$ 0.50
Diluted—as reported	$ 0.57	$ 0.47
Diluted—pro forma	$ 0.56	$ 0.47

The Company also grants restricted stock awards to certain employees and officers. Expense relating to restricted stock awards is amortized on a straight-line basis over the vesting period. Restricted stock information is as follows:

	Six Months Ended June 30, 2005
Restricted shares granted (in thousands)	557
Weighted-average market price of shares granted	$ 21.07
Restricted shares outstanding (at period end, in thousands)	1,333
Restricted shares amortization expense	$ 2,695

5. Business Combination

On May 5, 2005, Huron Consulting Group Inc. entered into a Membership Interest Purchase and Sale Agreement to acquire 100% of the outstanding membership interests of Speltz & Weis LLC. The acquisition was consummated on May 9, 2005. The results of Speltz & Weis LLC's operations have been included within the Financial Consulting segment since that date. Speltz & Weis LLC is a specialized consulting firm consisting of 26 consultants. With the acquisition of Speltz & Weis LLC, the Company can provide interim management, organizational renewal and turnaround services, and other crisis management services to distressed hospitals and other healthcare facilities.

The aggregate purchase price of the acquisition was $17.2 million, which consisted of $14.0 million cash paid at closing, notes payable totaling $3.0 million payable in three equal installments of $1.0 million

(together with accrued interest at 4% per annum) beginning on May 8, 2006, and $0.2 million of transaction costs. Additional purchase consideration may be payable based on the performance of Speltz & Weis LLC during the three-year period beginning June 1, 2005 and ending May 30, 2008. Such amounts will be recorded as an adjustment to goodwill if payable. Also, additional payments may be made based on the amount of revenues the Company receives from certain referrals made by Speltz & Weis LLC employees. Such amounts will be recorded as an expense if payable.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition. The Company is in the process of obtaining a third-party valuation of certain intangible assets; thus, the allocation of the purchase price is subject to refinement.

	May 9, 2005
Assets Acquired:	
Current assets	$ 2,291
Equipment	16
Intangible assets	2,600
Goodwill	14,554
	19,461
Liabilities Assumed:	
Current liabilities	2,307
Net Assets Acquired	$ 17,154

The $14.6 million of goodwill was assigned to the Financial Consulting segment, all of which is deductible for tax purposes.

The $2.6 million of acquired intangible assets have a weighted-average useful life of approximately 10.2 months, which consisted of customer contracts of $1.9 million (8.4 months weighted-average useful life) and customer relationships of $0.7 million (15.1 months weighted-average useful life). The Company assigned relatively short lives to the customer contracts and customer relationships due to the short-term nature of the services and relationships provided under these contracts, which primarily consist of interim management services.

The following unaudited pro forma financial data gives effect to the acquisition of Speltz & Weis LLC as if it had been completed at the beginning of the period. This unaudited pro forma financial data is not necessarily indicative of the operating results that would have been achieved if the acquisition had occurred on the dates indicated, nor are they necessarily indicative of future results.

	Six Months Ended June 30,	
	2005	2004
Revenues, net of reimbursable expenses	$ 105,559	$ 89,289
Operating income	$ 17,248	$ 13,557
Income before provision for income taxes	$ 17,441	$ 12,987
Net income attributable to common stockholders	$ 9,855	$ 6,857
Net income attributable to common stockholders per share:		
Basic	$ 0.63	$ 0.52
Diluted	$ 0.59	$ 0.48

6. Goodwill and Intangible Assets

The carrying amount of goodwill at June 30, 2005 was $14.6 million, which is attributable to the Financial Consulting segment and resulted from the acquisition of Speltz & Weis LLC as discussed in
note 5 above.

Intangible assets as of June 30, 2005 consisted of the following:

	Gross Carrying Amount	Accumulated Amortization
Customer contracts	$ 1,900	$ 385
Customer relationships	700	92
Total	$ 2,600	$ 477

Intangible assets amortization expense was $0.5 million for the three and six months ended June 30, 2005. Estimated intangible assets amortization expense is $2.1 million for 2005 and $0.5 million for 2006.

These amounts are based on the estimated fair values of the assets acquired and liabilities assumed at the date of the Speltz & Weis LLC acquisition. Such estimated fair values could change based on the finalization of a third-party valuation of certain intangible assets.

7. Earnings Per Share

Basic earnings per share (EPS) excludes dilution and is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential reduction in EPS that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. EPS under the basic and diluted computation are as follows:

	Six Months Ended June 30,	
	2005	2004
Net income	$ 9,484	$ 7,232
Dividends accrued on 8% preferred stock	—	(558)
Amount allocated to preferred stockholders	—	(622)
Net income attributable to common stockholders	$ 9,484	$ 6,052
Weighted average common shares outstanding—basic	15,597	12,011
Weighted average common stock equivalents	1,128	994
Weighted average common shares outstanding—diluted	16,725	13,005
Basic net income attributable to common stockholders per share	$ 0.61	$ 0.50
Diluted net income attributable to common stockholders per share	$ 0.57	$ 0.47

Prior to the redemption of the 8% preferred stock in October 2004, the 8% preferred stockholders participated in any dividends paid to common stockholders on an as converted basis using the current period estimated fair market value of a share of common stock. There were no anti-dilutive securities for the six months ended June 30, 2005 and 2004.

8. Restructuring Charges

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, which were paid by April 30, 2004, and $0.1 million for office lease payments, which were paid by August 31, 2004.

9. Line of Credit and Guarantee

The Company has a bank credit agreement, expiring on February 10, 2006, that allows it to borrow up to the lesser of $25.0 million or the sum of (a) 85% of eligible accounts receivable and (b) the lesser of 40% of unbilled services and $5.0 million. Borrowings under the agreement are limited by any outstanding letters of credit, bear interest at LIBOR plus 1.75%, and are secured by substantially all of the Company's assets. The bank credit agreement includes covenants for minimum equity and maximum annual capital expenditures, as well as covenants restricting the Company's ability to incur additional indebtedness or engage in certain types of transactions outside of the ordinary course of business. The Company had no borrowings outstanding under the bank credit agreement as of June 30, 2005. At June 30, 2005, the Company was in compliance with its debt covenants.

Guarantees in the form of letters of credit of $1.7 million were outstanding at June 30, 2005 to support certain office lease obligations.

10. Commitments and Contingencies

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.

11. Segment Information

Segments are defined by SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," as components of a company in which separate financial information is available and is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

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.

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.

The Company may reclassify certain revenues and expenses among the segments to align them with the changes in the Company's internal organizational structure. Beginning January 1, 2005, the Forensic Technology and Discovery Services group within the Financial Consulting segment was moved into the Operational Consulting segment to improve marketing synergies with the Legal Business Consulting practice. Previously reported segment information has been reclassified to reflect this change. This reclassification had no effect on previously reported net income.

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:

	Six Months Ended June 30,	
	2005	2004
Financial Consulting:		
Revenues	$ 54,443	$48,999
Segment operating income	$ 22,444	$19,182
Segment operating income as a percent of segment revenues	41.2%	39.1%
Operational Consulting:		
Revenues	$ 42,834	$32,605
Segment operating income	$ 15,988	$11,344
Segment operating income as a percent of segment revenues	37.3%	34.8%
Total Company:		
Revenues	$ 97,277	$81,604
Reimbursable expenses	9,061	7,090
Total revenues and reimbursable expenses	$106,338	$88,694
Statement of operations reconciliation:		
Segment operating income	$ 38,432	$30,526
Charges not allocated at the segment level:		
Other selling, general and administrative expenses	19,230	14,268
Stock-based compensation expense	867	60
Depreciation and amortization expense	1,956	1,075
Restructuring charges	—	2,139
Other (income) expense	(230)	515
Income before provision for income taxes	$ 16,609	$12,469

During the six months ended June 30, 2005, revenues from one client represented greater than 10.0% of the Company's consolidated revenues as presented in the table below. This client's total receivables and unbilled services balance at June 30, 2005 represented 12.2% of the Company's total receivables and unbilled services balance.

	Six Months Ended June 30, 2005
Financial Consulting	$ 10,343
Operational Consulting	1,879
Total	$ 12,222
Percentage of Consolidated Revenues	12.6%

12. Subsequent Event

One of the Company's clients filed for bankruptcy on July 5, 2005. That client is seeking to retain the Company's services, which is subject to approval by the bankruptcy court. An application to retain the Company's services is pending in the bankruptcy court. To date, no decision has been made by the bankruptcy court and the Company cannot provide any assurance as to when a decision will be made.

Report of Independent Auditors

To the Members' of Speltz & Weis LLC:

In our opinion, the accompanying balance sheet and the related statement of income, of members' equity and of cash flows present fairly, in all material respects, the financial position of Speltz & Weis LLC at December 31, 2004, and the results of its operations and its cash flows for the year then ended 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 audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

/S/ PricewaterhouseCoopers LLP

Chicago, Illinois
July 15, 2005

BALANCE SHEETS

(In whole dollars)

	December 31, 2004	March 31, 2005
Assets		(unaudited)
Current assets:		
Cash and cash equivalents	$ 675,921	$ 1,664,690
Receivables from clients	—	38,009
Unbilled services	153,386	71,913
Prepaid expenses	11,416	—
Total current assets	840,723	1,774,612
Fixed assets, net	32,752	33,889
Total assets	$ 873,475	$ 1,808,501
Liabilities and members' equity		
Accounts payable	$ 169,046	$ 344,240
Accrued expenses	15,784	277,973
Deferred revenues	—	69,318
Retainers	24,866	25,500
Total liabilities	209,696	717,031
Contingencies	—	—
Members' equity	663,779	1,091,470
Total liabilities and members' equity	$ 873,475	$ 1,808,501

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

STATEMENTS OF INCOME

(In whole dollars)

	Year Ended December 31, 2004	Three Months Ended March 31, 2005 (unaudited)	Three Months Ended March 31, 2004 (unaudited)
Revenues and reimbursable expenses:			
Revenues	$ 19,027,084	$ 6,469,307	$ 3,408,225
Reimbursable expenses	1,663,338	636,526	222,058
Total revenues and reimbursable expenses	20,690,422	7,105,833	3,630,283
Direct costs and reimbursable expenses:			
Direct costs (exclusive of depreciation and amortization shown separately below)	13,040,854	4,449,067	2,060,404
Reimbursable expenses	1,663,338	636,526	222,058
Total direct costs and reimbursable expenses	14,704,192	5,085,593	2,282,462
Operating expenses:			
Selling, general and administrative	311,010	10,443	24,007
Depreciation and amortization	6,604	753	—
Total operating expenses	317,614	11,196	24,007
Operating income	5,668,616	2,009,044	1,323,814
Interest income	15,615	5,869	723
Net income	$ 5,684,231	$ 2,014,913	$ 1,324,537

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

STATEMENTS OF MEMBERS' EQUITY

(In whole dollars)

	Members' Equity
Balance at December 31, 2003	$ 388,265
Net income	5,684,231
Distributions to members	(5,408,717)
Balance at December 31, 2004	$ 663,779
Net income (unaudited)	2,014,913
Distributions to members (unaudited)	(1,587,222)
Balance at March 31, 2005 (unaudited)	$ 1,091,470

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

STATEMENTS OF CASH FLOWS

(In whole dollars)

	Year Ended December 31, 2004	Three Months Ended March 31, 2005 (unaudited)	Three Months Ended March 31, 2004 (unaudited)
Cash flows from operating activities:			
Net income	$ 5,684,231	$ 2,014,913	$ 1,324,537
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	6,604	753	—
Changes in operating assets and liabilities:			
Decrease (increase) in receivables from clients	8,472	(38,009)	(360,706)
(Increase) decrease in unbilled services	(152,329)	81,473	(5,645)
(Increase) decrease in prepaid expenses	(11,416)	11,416	—
Increase in accounts payable	156,681	175,194	173,527
Increase in accrued expenses	14,727	262,189	13,456
(Decrease) increase in deferred revenues	(2,100)	69,318	123,174
Increase in retainers	23,366	634	34,000
Net cash provided by operating activities	5,728,236	2,577,881	1,302,343
Cash flows from investing activities:			
Purchases of fixed assets	(18,458)	(1,890)	—
Net cash used in investing activities	(18,458)	(1,890)	—
Cash flows from financing activities:			
Distributions to members	(5,408,717)	(1,587,222)	(16,102)
Net cash used in financing activities	(5,408,717)	(1,587,222)	(16,102)
Net increase in cash and cash equivalents	301,061	988,769	1,286,241
Cash and cash equivalents:			
Beginning of the period	374,860	675,921	374,860
End of the period	$ 675,921	$ 1,664,690	$ 1,661,101

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

Notes to financial statements

1. Description of Business

Speltz & Weis, LLC (the “Company”), a New Hampshire limited liability company formed in 2002, is a specialized consulting firm providing interim management and other crisis management services to the healthcare provider sector. The Company works to help hospitals and other healthcare facilities improve their financial, operational and market performance through organizational renewal.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements reflect the results of operations and cash flows for the year ended December 31, 2004 and the three months ended March 31, 2004 and 2005.

Interim Financial Information

The interim financial statements as of March 31, 2005 and for the three months ended March 31, 2004 and 2005 and the other information for this period disclosed in the notes to the financial statements are unaudited. In the opinion of management, the interim financial statements have been prepared on the same basis as the audited 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.

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 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 rendered under arrangements that require the client to pay on a time-and-expense basis. Fees are based either on agreed upon fixed contract monthly rates or on the hours incurred at agreed-upon hourly rates and recognized as services are provided. Direct costs incurred on engagements are expensed in the period incurred.

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 are recognized as revenue in the period in which the expense is incurred.

Differences between the timing of billings and the recognition of revenue are recognized as unbilled services or deferred revenues. Revenues recognized for services performed but not yet billed to clients have been recorded as unbilled services in the accompanying balance sheet. Client prepayments are classified as deferred (i.e., unearned) revenues and recognized over future periods as earned in accordance with the applicable engagement agreement. There were no deferred revenues at December 31, 2004.

Direct Costs and Reimbursable Expenses

Direct costs (exclusive of depreciation and amortization) 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. Direct costs also reflect contractual compensation for members of the Company.

Allowances for Accounts Receivables and Unbilled Services

The Company typically bills its clients at the beginning of each month or week based on an estimated number of hours of services to be provided that month or week. Accounts receivable and unbilled services are valued at management's estimate of the amount that will ultimately be collected. The Company had no accounts receivable at December 31, 2004 and no allowance was deemed necessary at both December 31, 2004 and March 31, 2005.

Customer Concentration

A small number of clients account for the Company's revenues. During 2004, the Company had six clients of whom one generated $15.8 million, or 82.8%, of the Company's revenues. This client generated $5.7 million, or 80.5%, of the Company's revenues during the three months ended March 31, 2005 (unaudited).

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and amortization totaling $6,604 at December 31, 2004. Fixed assets consist of computers and capitalized website development costs, which are depreciated on a straight-line basis over an estimated useful life of three years.

Retainers

Retainers represent cash received in advance from clients and not yet earned in accordance with client agreements. The liability is reduced by applying retainers to revenues as services are rendered.

Income Taxes

The Company is organized as a limited liability company whereby its taxable income is included with that of its members for purposes of determining federal, state and local income taxes. Therefore, no income tax expense has been recorded in the accompanying financial statements.

Fair Value of Financial Instruments

Cash and cash equivalents are stated at cost, which approximates fair market value. The carrying values for unbilled services, accounts payable 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.

Segment Reporting

The Company operates under one segment that provides interim management and other crisis management services to the healthcare provider sector. Accordingly, segment information is not applicable.

3. Members' Equity

The Company is organized as a limited liability company. Under the terms of the limited liability agreement, the Company is authorized to establish a capital account for each member equal to the member's initial capital contribution. The member's capital account is adjusted by any additional contributions made by the member and the member's share of the Company's income. The amounts and timing of distributions, if any, are determined by joint agreement of the members.

4. Contingencies

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.

5. Subsequent Events

On May 9, 2005, Huron Consulting Group Inc. ("Huron") acquired all of the outstanding membership interests of the Company for $17.2 million, of which $14.0 million was paid in cash at closing and $3.0 million will be paid in three equal annual installments of $1.0 million (together with accrued interest at 4% per annum) beginning on May 8, 2006. In addition, Huron will pay the Company additional amounts based on certain performance targets in accordance with the Membership Interest Purchase and Sale Agreement.

The Company's largest client filed for bankruptcy on July 5, 2005. A motion to allow the retention of the Company's interim management team has been filed and is subject to acceptance by the bankruptcy court. If the retention motion is denied, the Company expects it could have a material adverse effect on the Company's future financial position, results of operations and cash flows until such time as Huron is able to redirect the Company's resources to other Huron assignments, as well as new assignments. As of December 31, 2004 and June 30, 2005, there were no uncollected accounts receivable or unbilled services relating to this client.

On May 9, 2005, Huron Consulting Group Inc. (the "Company") acquired 100% of the outstanding membership interests of Speltz & Weis LLC. The aggregate purchase price of the acquisition was $17.2 million, which consisted of $14.0 million cash paid at closing, notes payable totaling $3.0 million payable in three equal annual installments of $1.0 million (together with accrued interest at 4% per annum) beginning on May 8, 2006, and $0.2 million of transaction costs. Additional purchase consideration may be payable based on the performance of Speltz & Weis LLC during the three-year period beginning June 1, 2005 and ending May 30, 2008. Such amounts will be recorded as an adjustment to goodwill if payable. Also, additional payments may be made based on the amount of revenues the Company receives from certain referrals made by Speltz & Weis LLC employees. Such amounts will be recorded as an expense if payable.

The following unaudited pro forma financial information reflects the estimated effect of the acquisition of Speltz & Weis LLC by the Company.

The pro forma consolidated statements of income for the year ended December 31, 2004 and the six months ended June 30, 2005 combines the respective statements of the Company and Speltz & Weis LLC as if the acquisition was consummated at the beginning of the period.

These unaudited pro forma consolidated statements of income are based on the assumptions and adjustments as described in the accompanying notes and are based upon the purchase method of accounting. The Company is in the process of obtaining a third-party valuation of certain intangible assets; thus, the allocation of the purchase price is subject to refinement. The unaudited pro forma financial information should be read in conjunction with Speltz & Weis LLC's audited financial statements and notes thereto for the year ended December 31, 2004, as well as the Company's consolidated financial statements and notes thereto for the year ended December 31, 2004 and the six months ended June 30, 2005, which are included elsewhere in this prospectus.

The unaudited pro forma consolidated financial information is not necessarily indicative of what actually would have occurred if the acquisition had been effective for the periods presented and should not be taken as representative of our future consolidated results of operations or financial position.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2004

(In thousands, except per share amounts)

	Company	Speltz & Weis LLC	Pro Forma Adjustments	Pro Forma Consolidated
Revenues and reimbursable expenses:				
Revenues	$159,550	$19,027		$ 178,577
Reimbursable expenses	14,361	1,663		16,024
Total revenues and reimbursable expenses	173,911	20,690		194,601
Direct costs and reimbursable expenses (exclusive of depreciation and amortization shown in operating expenses):				
Direct costs	92,270	13,041		105,311
Stock-based compensation	978	—		978
Intangible assets amortization	—	—	$ 1,900(1)	1,900
Reimbursable expenses	14,281	1,663		15,944
Total direct costs and reimbursable expenses	107,529	14,704	1,900	124,133
Operating expenses:				
Selling, general and administrative	40,425	311		40,736
Stock-based compensation	433	—		433
Depreciation and amortization	2,365	7	418(1)	2,790
Restructuring charges	3,475	—		3,475
Total operating expenses	46,698	318	418	47,434
Operating income	19,684	5,668	(2,318)	23,034
Other income (expense)	(692)	16	(120)(2)	(796)
Income before provision for income taxes	18,992	5,684	(2,438)	22,238
Provision for income taxes	8,128	—	(1,046)(3)	9,810
			2,728 (4)	
Net income	10,864	5,684	(4,120)	12,428
Accrued dividends on 8% preferred stock	931	—	—	931
Net income attributable to common stockholders	$ 9,933	$ 5,684	$ (4,120)	$ 11,497
Net income attributable to common stockholders per share:				
Basic	$ 0.77			$ 0.90
Diluted	$ 0.72			$ 0.84
Weighted average shares used in calculating net income attributable to common stockholders per share:				
Basic	12,820			12,820
Diluted	13,765			13,765

The accompanying notes are an integral part of the unaudited pro forma financial information.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2005

(In thousands, except per share amounts)

	Company	Speltz & Weis LLC Jan. 1- May 8, 2005	Pro Forma Adjustments	Pro Forma Consolidated
Revenues and reimbursable expenses:				
Revenues	$ 97,277	$ 9,149	$ (867)(5)	$ 105,559
Reimbursable expenses	9,061	907	(122)(5)	9,846
Total revenues and reimbursable expenses	106,338	10,056	(989)	115,405
Direct costs and reimbursable expenses (exclusive of depreciation and amortization shown in operating expenses):				
Direct costs	52,459	8,300	(2,110)(5)	58,649
Stock-based compensation	2,239	—		2,239
Intangible assets amortization	385	—	957 (1)	1,342
Reimbursable expenses	9,091	904	(122)(5)	9,873
Total direct costs and reimbursable expenses	64,174	9,204	(1,275)	72,103
Operating expenses:				
Selling, general and administrative	22,962	172	(101)(6)	23,033
Stock-based compensation	867	—		867
Depreciation and amortization	1,956	1	197 (1)	2,154
Restructuring charges	—	—		—
Total operating expenses	25,785	173	96	26,054
Operating income	16,379	679	190	17,248
Other income (expense)	230	6	(43)	193
Income before provision for income taxes	16,609	685	147	17,441
Provision for income taxes	7,125	—	132 (3)	7,586
			329 (4)	
Net income	$ 9,484	$ 685	$ (314)	$ 9,855
Net income attributable to common stockholders per share:				
Basic	$ 0.61			$ 0.63
Diluted	$ 0.57			$ 0.59
Weighted average shares used in calculating net income attributable to common stockholders per share:				
Basic	15,597			15,597
Diluted	16,725			16,725

The accompanying notes are an integral part of the unaudited pro forma financial information.

Notes to unaudited pro forma financial information

1. This adjustment is to record estimated amortization expense for identifiable intangible assets, which includes customer contracts and customer relationships totaling $2.6 million based on a preliminary third-party valuation.

2. In connection with the acquisition, the Company issued notes payable totaling $3.0 million payable in three equal annual installments of $1.0 million, together with accrued interest at 4% per annum, beginning on May 8, 2006. This adjustment is to record the interest expense relating to these notes.

3. This adjustment is to record the tax effects of the pro forma adjustments.

4. This adjustment is to record an income tax provision as if Speltz & Weis LLC had filed its income tax returns on a consolidated basis with the Company.

5. This adjustment is to eliminate intercompany revenues and expenses and to reverse the bonuses paid to Speltz & Weis LLC's employees at closing.

6. This adjustment is to reverse legal fees incurred by Speltz & Weis that related to the acquisition.

Huron
CONSULTING GROUP

Part II

Information not required in prospectus

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

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

SEC registration fee	$ 13,227
NASD Filing fee	11,738
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous fees and expenses	*
Total	$ *

* *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, contains provisions indemnifying our officers and directors against some types of liabilities.

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.

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.

Since inception, the Registrant has issued to officers, employees and third-party consultants options to purchase 2,213,641 shares of common stock under its incentive compensation plans adopted prior to the Registrant's initial public offering with per share exercise prices ranging from $.02 to $1.96. Of the options granted, 639,536 share have been issued upon exercise of such options for an aggregate exercise price of $171,147 and 318,997 options have been forfeited or cancelled.

The issuances of securities describe in this Item 15 were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) or Rule 701 of the Securities Act as transactions by an issuer not involving any public offering. The recipients of securities in each such transaction 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 sale of these securities were made without general solicitation or advertising.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

The following documents are exhibits to the Registration Statement.

Exhibit Number	Exhibit Description
1.1†	Form of Underwriting Agreement
2.1***	Membership Interest Purchase and Sale Agreement by and among Huron Consulting Group Inc., Speltz & Weis LLC, and David E. Speltz and Timothy C. Weis, dated as of May 5, 2005.
3.1**	Third Amended and Restated Certificate of Incorporation of Huron Consulting Group Inc.
3.2*	Bylaws of Huron Consulting Group Inc.
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24.1	Power of Attorney (included on signature page)

† *To be filed by amendment.*

* *Incorporated by reference to the same number exhibit filed with the Registrant's Registration Statement on Form S-1 (File No. 333-115434).*

** *Incorporated by reference to the same number exhibit filed with the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 0-50976).*

*** *Incorporated by reference to the same number exhibit filed with the Registrant's Current Report on Form 8-K, filed with the SEC on May 10, 2005 (File No. 0-050976).*

ITEM 17. UNDERTAKINGS.

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 SEC 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.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago, State of Illinois, on August 29, 2005.

HURON CONSULTING GROUP INC.

By:	/S/ GARY E. HOLDREN
Name:	Gary E. Holdren
Title:	President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and officers of Huron Consulting Group Inc., a Delaware corporation, do hereby constitute and appoint Gary L. Burge and Natalia Delgado, and each of them, our true and lawful attorney-in-fact and agent, to do any and all acts and things in our names and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our name in the capacities indicated below, which said attorney and agent may deem necessary or advisable to enable said Registrant to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with the registration statements, or any registration statement for this offering that is to be effective upon filing pursuant to Rule 462 under the Securities Act of 1933, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereof; and we do hereby ratify and confirm all that said attorneys and agents shall do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated below on August 29, 2005.

Signature	Title
/S/ GARY E. HOLDREN Gary E. Holdren	Chairman and Chief Executive Officer (Principal Executive Officer)
/S/ GEORGE E. MASSARO George E. Massaro	Vice Chairman
/S/ GARY L. BURGE Gary L. Burge	Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)
/S/ DUBOSE AUSLEY DuBose Ausley	Director
/S/ DEBORAH A. BRICKER Deborah A. Bricker	Director
/S/ JAMES D. EDWARDS James D. Edwards	Director
/S/ JOHN MCCARTNEY John McCartney	Director
/S/ PAUL G. YOVOVICH Paul G. Yovovich	Director

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Exhibit 10.28

SENIOR MANAGEMENT AGREEMENT

BY AND BETWEEN

HURON CONSULTING GROUP LLC

AND

JAMES ROJAS

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SENIOR MANAGEMENT AGREEMENT

SENIOR MANAGEMENT AGREEMENT (the **"Agreement"**), effective as of May 15, 2002 (the **"Effective Date"**), by and between Huron Consulting Group LLC, a Delaware limited liability company (the **"Company"**), and James Rojas (the **"Executive"**).

PRELIMINARY RECITALS

A. WHEREAS, the Company is engaged in the business of providing diversified business consulting services (the **"Business"**). For purposes of this Agreement, the term the **"Company"** shall include the Company, its subsidiaries and assignees and any successors in interest of the Company and its subsidiaries; and

B. WHEREAS, the Company desires to employ Executive as of the Effective Date, and Executive desires to be so employed by the Company, as set forth herein.

NOW, THEREFORE, in consideration of the premises, the mutual covenants of the parties hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Employment.

1.1 Title and Duties. The Company agrees to employ Executive, and Executive agrees to accept employment with the Company, as Director for the Employment Period, in accordance with the terms and conditions of this Agreement. During the Employment Period, Executive shall have such responsibilities, duties and authorities as are customarily assigned to such position and shall render such services or act in such capacity for the Company and its affiliates, as the Company's President (the **"President"**) shall from time to time direct. 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. Executive acknowledges that his duties and responsibilities hereunder will require his full business time and effort and agrees that, during the Employment Period, he will not engage in any other business activity or have any business pursuits or interests which materially interfere or conflict with the performance of his duties hereunder. Executive shall engage in travel as reasonably required in the performance of Executive's duties.

1.2 Employment Period. The employment of Executive under this Agreement shall begin on the Effective Date and shall continue through the third anniversary of the Effective Date (the **"Initial Period"**). Commencing on the third anniversary of the Effective Date and on each anniversary thereafter, the employment of Executive under this Agreement shall automatically renew and extend for an additional year, unless one of the parties shall deliver to the other sixty (60) days' advance written notice of the cessation of such automatic renewal. **"Employment Period"** shall mean the Initial Period and any automatic extensions of Executive's employment under this Agreement. Notwithstanding anything to the contrary contained herein, the Employment Period is subject to termination pursuant to **Section 1.3, 1.4** and **1.5**.

1.3 Termination Upon Death. If Executive dies during the Employment Period, Executive's employment shall automatically terminate on the date of Executive's death.

1.4 Termination by the Company.

(a) The Company may terminate Executive's employment hereunder upon written notice to Executive as described in (i) and (ii) below. Such termination shall be effective upon the date of service of such notice pursuant to **Section 10.6**.

(i) Prior to the third (3rd) anniversary of the Effective Date, the Company may terminate Executive's employment only: (i) due to the Permanent Disability of Executive or (ii) for Cause.

(ii) On and after the third (3rd) anniversary of the Effective Date, the Company may terminate Executive's employment: (i) due to the Permanent Disability of Executive, (ii) for Cause, or (iii) without Cause for any or no reason.

(b) For purpose of this Agreement, **"Cause"** means the occurrence of any of the following events, as determined in the reasonable good faith judgment of the President:

(i) the failure of Executive to perform his material duties which failure continues for ten (10) days after the Company has given written notice to Executive specifying in reasonable detail the manner in which Executive has failed to perform such duties;

(ii) commission by Executive of an act or omission constituting (x) a felony, (y) dishonesty with respect to the Company or (z) fraud;

(iii) commission by Executive of an act or omission that (x) could adversely and materially affect the Company's business or reputation, or (y) involves moral turpitude;

(iv) the breach, non-performance or non-observance of any of the material terms of this Agreement (other than a breach, non-performance or non observance described in clause (v) of this Section 1.4(b)), or any other agreement to which Executive and the Company are parties, by Executive, if such breach, non-performance or non-observance shall continue beyond a period of ten (10) days immediately after written notice thereof by the Company to Executive; or

(v) any breach, non-performance or non-observance of **Sections 7.3, 7.4** or **7.5**, of this Agreement.

(c) Executive shall be deemed to have a **"Permanent Disability"** for purposes of this Agreement if Executive is eligible to receive benefits under the Company's long-term disability plan then-covering Executive.

1.5 Termination by Executive. Executive shall give sixty (60) days' prior written notice to the Company prior to the effectiveness of any resignation of his employment with the Company. If Executive's resignation is effective within the ninety (90) days immediately following the Company's written notice to Executive that his primary location of employment with the Company will change to a location that is more than seventy-five (75) miles from Executive's primary location of employment with the Company as of the Effective Date, then Executive's resignation shall be deemed for **"Good Reason."**

2. Compensation and Benefits.

2.1 Base Salary. As consideration for the services of Executive hereunder, during the Employment Period the Company shall pay Executive an annual base salary of $200,000 (the **"Base Salary"**), payable in accordance with the Company's customary payroll practices as in effect from time to time. The President shall perform an annual review of Executive's compensation based on Executive's performance of his duties and the Company's other compensation policies, provided that Executive's Base Salary shall not be reduced without Executive's consent unless such reduction is part of a comparable overall reduction for members of senior management. The term Base Salary shall include any changes to the Base Salary from time to time.

2.2 Bonus Programs.

(a) Annual Bonus.

(i) During the Employment Period, Executive shall be eligible for an annual bonus in an amount determined by the President based on Executive's performance of his duties and the Company's other compensation policies (the **"Annual Bonus"**). For the three year period commencing on the Effective Date through the third anniversary thereof, the target for the Executive's Annual Bonus shall be one hundred thousand dollars ($100,000) (the **"Target Amount"**) per year. The Executive's right to any bonus payable pursuant to this Section 2.2 shall be contingent upon Executive being employed by the Company on the date of an installment payment of a bonus described in 2.2(a)(ii), (iii) or (iv) or, for other Annual Bonuses, the date such Annual Bonus is generally paid to executives of the Company; provided, however, that if Executive is not employed by the Company as of the date of payment of the last installment bonus pursuant to Section 2(a)(iv) due to the Company's decision not to renew the Employment Period beyond the Initial Period, then Executive shall receive such last installment bonus payment when it is generally paid to other members of senior management.

(ii) For the twelve (12) month period commencing on the Effective Date, Executive shall be entitled to an Annual Bonus not less than the Target Amount, which shall be paid in four equal quarterly installments commencing on or about July 31, 2002.

(iii) For the twelve (12) month period commencing on the first anniversary of the Effective Date, Executive shall be entitled to an Annual Bonus

not less than one hundred percent (100%) of the Target Amount, which shall be paid in four equal quarterly installments commencing on or about July 31, 2003.

(iv) For the twelve (12) month period commencing on the second anniversary of the Effective Date, Executive shall be entitled to an Annual Bonus not less than fifty percent (50%) of the Target Amount, which shall be paid in four equal quarterly installments commencing on or about July 31, 2004.

(b) Performance Bonus. For each calendar year in which the Company's EBITDA margin is greater than twenty-five percent (25%) as determined by the Company's Board of Directors (the **"Board"**) with reference to the Company's audited financial statements, Executive shall be eligible for a special performance bonus (the **"Performance Bonus"**) in addition to the Annual Bonus, which would be in an amount determined by the President with approval by the Board, provided that Executive is employed by the Company as of the date such Performance Bonus is generally paid to executives of the Company.

3. Options on Common Interests.

3.1 Within 90 days of the Effective Date, Executive shall be granted options (the **"Options"**) with respect to thirty thousand (30,000) common membership interests (the **"Interests"**) in the parent company of the Company (the **"Parent"**), which Options shall have an exercise price of one cent ($.01) per option. These Options shall vest in four equal increments, with one-quarter vesting on the first anniversary of the effective date and one-quarter vesting on each of the next three anniversaries of the effective date; provided, however, that no Options shall vest if Executive is not employed by the Company as of such vesting date. Such Options shall be subject to the terms of the Company's Equity Incentive Plan (the **"Equity Plan"**) and granting agreement, which shall be made effective prior to the grant of the Options.

3.2 Executive hereby acknowledges and agrees that the issuance of the Options to Executive does not affect the right of the Company to terminate Executive's employment as provided in this Agreement or otherwise at law.

4. Accelerated Vesting. Notwithstanding the foregoing or anything to the contrary contained herein, vesting of the Options shall accelerate as follows:

4.1 Qualified Change of Control.

(a) Prior to a Qualified Change of Control, the vesting of the Options shall accelerate so that no less than fifty percent (50%) of the Options are vested (which, for the avoidance of doubt, includes Options that may have already vested as of such date).

(b) **"Qualified Change of Control"** means any sale, transfer, issuance or redemption or series of sales, transfers, issuances or redemptions (or any combination thereof) of membership interests in the Parent by the holders thereof or the Parent that results in any person or entity or group of affiliated persons or entities (other than the holders of membership interests in the Parent) (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 membership interests of the Parent so long as such transaction or series of transactions is designated as a Qualified Change of Control by the Parent Board.

4.2 <u>Qualified Public Offering</u>.

(a) Prior to a Qualified Public Offering, the vesting of the Options shall fully accelerate so that all the Options are vested.

(b) **"Qualified Public Offering"** means 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 class A and class B common limited liability company membership interests of the Parent that is designated as a Qualified Public Offering by the Parent Board.

4.3 Upon termination of Executive's employment, any Interests then-owned by Executive due to the exercise of Options shall be subject to repurchase by the Company. If such termination is (i) by the Company without Cause, (ii) a resignation by Executive for Good Reason, (iii) due to Permanent Disability, or (iv) due to death, such repurchase shall be at the fair market value of the Interests on the date of termination of Executive's employment with the Company under the terms of the Equity Plan (**"Fair Market Value"**). If Executive (i) is terminated by the Company for Cause, (ii) resigns not for Good Reason, or (iii) is in breach of the covenants in Section 7, such repurchase shall be at the lesser of Fair Market Value or the amount paid by the Executive for the Interests.

5. <u>Fringe Benefits and Expenses</u>.

5.1 During the Employment Period, Executive shall be eligible to participate in the various health and welfare benefit plans maintained by the Company for its key management employees from time to time.

5.2 During the Employment Period, the Company shall provide Executive with twenty (20) vacation days per calendar year, and, for periods which are less than a full calendar year, with vacation days for such period equal to the product of the number of vacation days stated in this paragraph for a calendar year, multiplied by a fraction with a numerator equal to the number of days in such period Executive is employed by the Company and a denominator equal to three hundred sixty-five (365), with any partial days rounded to the nearest whole number. Such vacation days for a calendar year or such other period shall accrue to Executive on a monthly basis, at the rate of one-twelfth (l/12th) of the number of vacation days for such period per full month of employment with the Company, rounded to the nearest whole number. Unused vacation days for one calendar year may be carried over through the first ninety (90) days of the immediately subsequent calendar year.

5.3 During the Employment Period, the Company shall reimburse Executive for all ordinary, necessary and reasonable travel and other business expenses incurred by Executive in connection with the performance of his duties hereunder, in accordance with the Company policy. Such reimbursement shall be made upon presentation of itemized expense statements and such other supporting documentation as the Company may reasonably require.

6. Compensation After Termination.

6.1 If Executive is terminated by the Company for Cause or if Executive resigns other than for Good Reason, then, except as required by law, the Company shall have no further obligations to Executive (except payment of the Base Salary accrued through the date of said termination), and the Company shall continue to have all other rights available hereunder (including, without limitation, all rights under the Restrictive Covenants at law or in equity).

6.2 If Executive is terminated by the Company without Cause, which may only happen after the third anniversary of the Effective Date, or if Executive resigns for Good Reason, Executive shall be entitled to receive: (i) as severance pay, an amount equal to the Base Salary that would otherwise have been payable if Executive continued his employment hereunder for six (6) months (such six (6)-month period, the **"Severance Period"**), payable in accordance with the Company's policies that would otherwise apply to the payment of the Base Salary, and (ii) continuation of medical benefits during the Severance Period upon the same terms as exist immediately prior to the termination of employment. The Company shall, except as required by law, have no other obligations hereunder or otherwise with respect to Executive's employment from and after the termination date, and the Company shall continue to have all other rights available hereunder (including, without limitation, all rights under the Restrictive Covenants at law or in equity). Notwithstanding the foregoing, amounts payable under this Section 6.2 shall be reduced by the amount of compensation earned, received or receivable by Executive relating to Executive's employment with, or other provision of services to, third parties during the Severance Period, (such compensation **"Subsequent Pay"**) and Executive shall use all reasonable efforts to obtain such employment or engagement for services as soon as possible after the date of termination hereunder. Executive shall notify the Company of the existence of Subsequent Pay as soon as possible after Executive has knowledge of such Subsequent Pay.

6.3 If Executive is terminated due to Executive's Permanent Disability or if Executive dies during the Employment Period, then (i) Executive or Executive's estate, as the case may be, shall be entitled to receive as severance pay an amount equal to the Base Salary for three (3) months which amount shall be payable in accordance with the Company's policies that would otherwise apply to the payment of the Base Salary, and (ii) Executive and/or his eligible dependents shall receive continuation of medical benefits upon the same terms as exist immediately prior to the termination of employment for the three (3)-month period immediately following the termination of employment. The Company shall have no other obligations hereunder or otherwise with respect to Executive's employment from and after the termination date, and the Company shall continue to have all other rights available hereunder (including, without limitation, all rights under the Restrictive Covenants at law or in equity).

7. Restrictive Covenants.

7.1 Executive's Acknowledgment. Executive agrees and acknowledges that in order to assure the Company that it will retain its value and that of the Business as a going concern, it is necessary that Executive not utilize special knowledge of the Business and its relationships with customers to compete with the Company. Executive further acknowledges that:

(a) the Company is and will be engaged in the Business during the Employment Period and thereafter;

(b) Executive will occupy a position of trust and confidence with the Company, and during the Employment Period, Executive will become familiar with the Company's trade secrets and with other proprietary and Confidential Information concerning the Company and the Business;

(c) the agreements and covenants contained in **Sections 7, 8** and **9** are essential to protect the Company and the goodwill of the Business and compliance with such agreements and covenants will not impair Executive's ability to procure subsequent and comparable employment; and

(d) Executive's employment with the Company has special, unique and extraordinary value to the Company and the Company would be irreparably damaged if Executive were to provide services to any person or entity in violation of the provisions of this Agreement.

7.2 Confidential Information. As used in this **Section 7**, **"Confidential Information"** shall mean the Company's trade secrets and other non-public information relating to the Company or the Business, including, without limitation, information relating to financial statements, customer identities, potential customers, employees, suppliers, acquisition targets, servicing methods, equipment, programs, strategies and information, analyses, marketing plans and strategies, profit margins and other information developed or used by the Company in connection with the Business that is not known generally to the public or the industry and that gives the Company an advantage in the marketplace. Confidential Information shall not include any information that is in the public domain or becomes known in the public domain through no wrongful act on the part of Executive. Executive agrees to deliver to the Company at the termination of Executive's employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports and other documents (and copies thereof) relating to the Business or the Company or other forms of Confidential Information which Executive may then possess or have under his control.

7.3 Non-Disclosure. Executive agrees that during employment with the Company and thereafter, Executive shall not reveal to any competitor or other person or entity (other than current employees of the Company) any Confidential Information regarding Clients (as defined herein) that Executive obtains while performing services for the Company. Executive further agrees that Executive will not use or disclose any Confidential Information of the Company, other than in connection with Executive's work for the Company, until such information becomes generally known in the industry through no fault of Executive.

7.4 Non-Solicitation of Clients. Executive acknowledges that Executive will learn and develop Confidential Information relating to the Company's Clients and relating to the Company's servicing of those Clients. Executive recognizes that the Company's relationships with its Clients are extremely valuable to it and that the protection of the Company's relationships with its Clients is essential.

Accordingly, and in consideration of the Company's employment of Executive and the various benefits and payments provided in conjunction therewith, Executive agrees that for a period of twelve (12) months following termination of employment with the Company that is not mutually agreed in writing by Executive and the Company, Executive will not, whether or not Executive is then self employed or employed by another, directly or through another, provide services that are the same or similar to those services offered for sale and/or under any stage of development by the Company at the time of Executive's termination, to any Client of the Company whom Executive:

(a) obtained as a Client for the Company; or

(b) consulted with, provided services for, or supervised the provision of services for during the twelve (12) month period immediately preceding termination of Executive's employment; or

(c) submitted or assisted in the submission of a proposal for the provision of services during the six (6) month period immediately preceding termination of Executive's employment.

"Client" shall mean those persons or firms for whom the Company has either directly or indirectly provided services within the twenty-four (24)-month period immediately preceding termination of Executive's employment and therefore includes both the referral source or entity that consults with the Company and the entity to which the consultation related. "Client" also includes those persons or firms to whom executive has submitted a proposal (or assisted in the submission of a proposal) to perform services during the six (6) month period immediately preceding termination of Executive's employment.

7.5 Non-Interference with Relationships. Executive shall not directly or indirectly solicit, induce or encourage (i) any executive or employee of the Company, or (ii) any customer, client, supplier, lender, professional advisor or other business relation of the Company to leave, alter or cease his or her relationship with the Company, for any reason whatsoever, for twelve (12) months after Executive's termination, for any reason, of employment with the Company. Executive shall not hire or assist in the hiring of any executive or employee of the Company for that same time period, whether or not Executive is then self employed or employed by another business. Executive shall not directly or indirectly make disparaging remarks about the Company.

7.6 Modification. If any court of competent jurisdiction shall at any time deem that the term of any Restrictive Covenant is too lengthy, or the scope or subject matter of any Restrictive Covenant exceeds the limitations imposed by applicable law, the parties agree that provisions of Sections **7.3**, **7.4** and **7.5** shall be amended to the minimum extent necessary such that the provision is enforceable or permissible by such applicable law and be enforced as amended.

8. Effect on Termination. If, for any reason, Executive's employment with the Company shall terminate, then, notwithstanding such termination, those provisions contained in **Sections 4.3, 6, 7, 8, 9 and 10** hereof shall remain in full force and effect.

9. Remedies.

9.1 Non-Exclusive Remedy for Restrictive Covenants. Executive acknowledges and agrees that the covenants set forth in **Sections 7.3, 7.4, and 7.5** of this Agreement (collectively, the **"Restrictive Covenants"**) are reasonable and necessary for the protection of the Company's business interests, that irreparable injury will result to the Company if Executive breaches any of the terms of the Restrictive Covenants, and that in the event of Executive's actual or threatened breach of any such Restrictive Covenants, the Company will have no adequate remedy at law. Executive accordingly agrees that in the event of any actual or threatened breach by him of any of the Restrictive Covenants, the Company shall be entitled to immediate temporary injunctive and other equitable relief, without the necessity of showing actual monetary damages or the posting of bond. Nothing contained herein shall be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages.

9.2 Arbitration. Except as set forth in **Section 10.1**, any controversy or claim arising out of or related to (i) this Agreement, (ii) the breach thereof, (iii) Executive's employment with the Company or the termination of such employment, or (iv) Employment Discrimination, shall be settled by arbitration in Chicago, Illinois before a single arbitrator administered by the American Arbitration Association (**"AAA"**) under its National Rules for the Resolution of Employment Disputes, effective as of January 1, 2001 (the **"Employment Rules"**), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, Rule 36 of the AAA's Commercial Arbitration Rules effective as of September 1, 2000 (instead of Rule 27 of the Employment Rules) shall apply to interim measures. References herein to any arbitration rule(s) shall be construed as referring to such rule(s) as amended or renumbered from time to time and to any successor rules. References to the AAA include any successor organization. **"Employment Discrimination"** means any discrimination against or harassment of Executive in connection with Executive's employment with the Company or the termination of such employment, including any discrimination or harassment prohibited under federal, state or local statute or other applicable law, including the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974, the Americans with Disability Act, the Family and Medical Leave Act, the Fair Labor Standards Act, or any similar federal, state or local statute. Without limitation of the foregoing, any controversy or claim arising out of related to the repurchase right in **Section 4.3** shall be subject to arbitration hereunder.

10. Miscellaneous.

10.1 General Release. Executive acknowledges and agrees that Executive's right to receive severance pay and other benefits pursuant to Section 6.1 and Section 6.2 of this Agreement is contingent upon Executive's compliance with the covenants set forth in Section 7 of this Agreement and Executive's execution and acceptance of the terms and conditions of, and the effectiveness of, a general release in a form substantially similar to that attached hereto as Exhibit A (the **"Release"**). If the Executive fails to comply with the covenants set forth in Section 7 or if the Executive fails to execute the Release or revokes the Release during the seven (7)-day period following his execution of the Release, then the Executive shall not be entitled to

any severance payments or other benefits to which the Executive would otherwise be entitled under Sections 6.1 or 6.2

10.2 Assignment. Executive may not assign any of his rights or obligations hereunder without the written consent of the Company. Except as otherwise expressly provided herein, all covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

10.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity and without invalidating the remainder of this Agreement.

10.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement.

10.5 Descriptive Headings; Interpretation. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. The use of the word **"including"** in this Agreement shall be by way of example rather than by limitation.

10.6 Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered personally to the recipient, (ii) sent to the recipient by reputable express courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, or (iii) transmitted by telecopy to the recipient with a confirmation copy to follow the next day to be delivered by overnight carrier. Such notices, demands and other communications shall be sent to the addresses indicated below:

To the Company:

Huron Consulting Group LLC
c/o Lake Capital, LLC
676 North Michigan Ave.
Suite 3900
Chicago, IL 60611
Attention: Kathleen M. Johnston
Facsimile: (312) 640-7065

with copy to:

Lake Capital, LLC
676 North Michigan Ave.
Suite 3900
Chicago, IL 60611
Attention: Kathleen M. Johnston
Facsimile: (312) 640-7065

To Executive:	Mr. James Rojas 16543 S. Prairie Drive Tinley Park, IL 60477

or to such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Date of service of such notice shall be (w) the date such notice is personally delivered, (x) three days after the date of mailing if sent by certified or registered mail, (y) one day after the date of delivery to the overnight courier if sent by overnight courier or (z) the next business day after the date of transmittal by telecopy.

10.7 Preamble; Preliminary Recitals. The Preliminary Recitals set forth in the Preamble hereto are hereby incorporated and made part of this Agreement.

10.8 Taxes. All compensation payable to Executive from the Company shall be subject to all applicable withholding taxes, normal payroll withholding and any other amounts required by law to be withheld.

10.9 Entire Agreement. Except as otherwise expressly set forth herein, this Agreement sets forth the entire understanding of the parties, and supersedes and preempts all prior oral or written understandings and agreements with respect to the subject matter hereof.

10.10 Governing Law. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the laws of the State of Illinois without giving effect to provisions thereof regarding conflict of laws.

10.11 No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

10.12 Amendment and Waivers. Any provisions of the Agreement may be amended or waived only with the prior written consent of the Company and Executive.

SIGNATURE PAGE FOLLOWS.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates written below.

THE COMPANY:

HURON CONSULTING GROUP LLC

By: /s/ Terence M. Graunke

Its: ________________

Date: ________________

EXECUTIVE

/s/ James K. Rojas

James Rojas

July 8, 2002

Date

Exhibit A

GENERAL RELEASE OF ALL CLAIMS

1. For valuable consideration, the adequacy of which is hereby acknowledged, the undersigned (**"Executive"**), for himself, his spouse, heirs, administrators, children, representatives, executors, successors, assigns, and all other persons claiming through Executive, if any (collectively, **"Releasers"**), does hereby release, waive, and forever discharge Huron Consulting Group LLC (the **"Huron"**) and the parent company to Huron (**"Parent"**) (collectively Huron and Parent being **"Company"**), Company's agents, subsidiaries, parents affiliates, related organizations, employees, officers, directors, attorneys, successors, and assigns (collectively, the **"Releasees"**) from, and does fully waive any obligations of Releasees to Releasers for, any and all liability, actions, charges, causes of action, demands, damages, or claims for relief, remuneration, sums of money, accounts or expenses (including attorneys' fees and costs) of any kind whatsoever, whether known or unknown or contingent or absolute, which heretofore has been or which hereafter may be suffered or sustained, directly or indirectly, by Releasers in consequence of, arising out of, or in any way relating to Executive's employment with the Company or any of its affiliates and the termination of Executive's employment. The foregoing release and discharge, waiver and covenant not to sue includes, but is not limited to, all claims and any obligations or causes of action arising from such claims, under common law including wrongful or retaliatory discharge, breach of contract (including but not limited to any claims under the Senior Management Agreement between Huron and Executive, dated __________, as amended from time to time (the **"Senior Management Agreement"**) (but excluding claims regarding severance pay and benefits) and any claims under any stock option agreements between Executive and Huron or Parent) and any action arising in tort including libel, slander, defamation or intentional infliction of emotional distress, and claims under any federal, state or local statute including Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 and 1871 (42 U.S.C. § 1981), the National Labor Relations Act, the Age Discrimination in Employment Act (ADEA), the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Illinois Human Rights Act, or the discrimination or employment laws of any state or municipality, and/or any claims under any express or implied contract which Releasers may claim existed with Releasees. This also includes a release by Executive of any claims for breach of contract, wrongful discharge and all claims for alleged physical or personal injury, emotional distress relating to or arising out of Executive's employment with the Company or the termination of that employment; and any claims under the WARN Act or any similar law, which requires, among other things, that advance notice be given of certain work force reductions. This release and waiver does not apply to any claims or rights that may arise after the date Executive signs this General Release. The foregoing release does not cover any right to indemnification now existing under the Operating Agreement of Huron or the Parent regardless of when any claim is filed.

2. Excluded from this release and waiver are any claims which cannot be waived by law, including but not limited to the right to participate in an investigation conducted by certain government agencies. Executive does, however, waive Executive's right to any monetary recovery should any agency (such as the Equal Employment Opportunity Commission) pursue any claims on Executive's behalf. Executive represents and warrants that Executive has not filed

any complaint, charge, or lawsuit against the Releasees with any government agency or any court.

3. Executive agrees never to sue Releasees in any forum for any claim covered by the above waiver and release language, except that Executive may bring a claim under the ADEA to challenge this General Release. If Executive violates this General Release by suing Releasees, other than under the ADEA or as otherwise set forth in Section 1 hereof, Executive shall be liable to the Company for its reasonable attorneys' fees and other litigation costs incurred in defending against such a suit. Nothing in this General Release is intended to reflect any party's belief that Executive's waiver of claims under ADEA is invalid or unenforceable, it being the interest of the parties that such claims are waived.

4. Executive acknowledges and recites that:

(a) Executive has executed this General Release knowingly and voluntarily;

(b) Executive has read and understands this General Release in its entirety;

(c) Executive has been advised and directed orally and in writing (and this subparagraph (c) constitutes such written direction) to seek legal counsel and any other advice he wishes with respect to the terms of this General Release before executing it;

(d) Executive's execution of this General Release has not been forced by any employee or agent of the Company, and Executive has had an opportunity to negotiate about the terms of this General Release; and

(e) Executive has been offered 21 calendar days after receipt of this General Release to consider its terms before executing it.

5. This General Release shall be governed by the internal laws (and not the choice of laws) of the State of Illinois, except for the application of pre-emptive Federal law.

6. Executive shall have 7 days from the date hereof to revoke this General Release by providing written notice of the revocation to the Company, as provided in subsection 10.7 of the Employment Agreement, in which event this General Release shall be unenforceable and null and void.

PLEASE READ THIS AGREEMENT CAREFULLY. IT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

James Rojas

Date: 5/11/02

/s/ James Rojas

Executive

Exhibit 10.29

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 James K. Rojas (the "Executive");

WHEREAS, the Company is wholly owned by Huron Consulting Group, Inc., a Delaware corporation (the "Parent");

WHEREAS, the Executive has assumed the position of Vice President of Corporate Development; and

WHEREAS, the Executive and the Company desire to amend the Agreement;

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 of the Agreement, 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, LLC 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 on March 15, 2005. 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/ GARY HOLDREN
Its: **Chairman & CEO**

Date: March 15, 2005

THE PARENT:

HURON CONSULTING GROUP INC.

By: /S/ GARY HOLDREN
Its: **Chairman & CEO**

Date: March 15, 2005

EXECUTIVE:

/S/ JAMES K. ROJAS
James K. Rojas

Date: March 15, 2005

Exhibit 10.30

SENIOR MANAGEMENT

CHANGE OF CONTROL AGREEMENT

This SENIOR MANAGEMENT CHANGE OF CONTROL AGREEMENT ("Agreement") is entered into by and between Huron Consulting Services LLC, a Delaware limited liability company (the "Company"), Huron Consulting Group Inc., a Delaware corporation (the "Parent") and Natalia Delgado (the "Executive").

RECITALS

WHEREAS, the Company and Executive are parties to that certain letter of employment ("Letter") and Non-Disclosure and Non-Solicitation Agreement, both dated August 23, 2004, (collectively, the Letter and the Non-Disclosure and Non-Solicitation Agreement are sometimes referred to herein as the "Hiring Agreements");

WHEREAS, the Company is wholly owned by the Parent;

WHEREAS, the Parent recently consummated the initial public offering of its common stock (the "IPO"); and

WHEREAS, the Executive and the Company desire to enter into this Agreement to supplement the terms of the Hiring Agreements, effective on November 2, 2004.

NOW, THEREFORE, the parties agree, effective as set forth in Section 7 below, as follows:

1. Change of Control.

(a) Any provision of the Letter to the contrary notwithstanding, if (i) Executive is terminated by the Company without Cause or Executive resigns for CoC Good Reason in either case during the period commencing on a Change of Control (each such term is 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 such termination, the Company shall continue to have all other rights available hereunder (including, without limitation, all rights under the Hiring Agreements 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 a Release described in Section 4 hereof, 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 1(a) and 1(b) shall be in lieu of compensation and benefits provided otherwise for a termination under any other plan or agreement of the Company, whether adopted before or after the date hereof, which provides severance payments or benefits.

2. Parachute Payments.

(a) 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.

(b) All determinations required to be made under this Section 2 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 2. 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.

3. Definitions. For purposes of this Agreement, the terms set forth below shall have the following meanings:

(a) "Cause" means the occurrence of any of the following events, as determined in the reasonable good faith judgment of the Chief Executive Officer of the Company:

(i) the failure of Executive to perform her material duties which failure continues for ten (10) days after the Company has given written notice to Executive specifying in reasonable detail the manner in which Executive has failed to perform such duties;

(ii) commission by Executive of an act or omission constituting (x) a felony, (y) dishonesty with respect to the Company or (z) fraud;

(iii) commission by Executive of an act or omission that (x) could adversely and materially affect the Company's business or reputation, or (y) involves moral turpitude;

(iv) the breach, non-performance or non-observance of any of the material terms of the Letter, or any other agreement to which Executive and the Company are parties, by Executive, if such breach, non-performance or non-observance shall continue beyond a period of ten (10) days immediately after written notice thereof by the Company to Executive; or

(v) any breach, non-performance or non-observance of the Non-Disclosure and Non-Solicitation Agreement.

(b) A "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 3(b):

(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 of 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 of 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 and 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.

(c) "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 a reporting company pursuant to Section 13 and Section 15(d) of the Securities Exchange Act of 1934, the fact that Executive is not named as General Counsel and Corporate Secretary of the reporting company following the Change of Control shall not constitute CoC Good Reason.

4. General Release. Executive acknowledges and agrees that Executive's right to receive severance pay and other benefits pursuant to Section 1 of this Agreement is contingent upon Executive's compliance with the covenants set forth in the Non-Disclosure and Non-Solicitation Agreement and Executive's execution and acceptance of the terms and conditions of, and the effectiveness of, a general release in a form substantially similar to that attached hereto as Exhibit A (the "Release"). If Executive fails to comply with the covenants set forth in the Non-Disclosure and Non-Solicitation Agreement, or if the Executive fails to execute the Release or revokes the Release during the seven (7)-day period following her execution of the Release, then Executive shall not be entitled to any severance payments or other benefits to which the Executive would otherwise be entitled under Section 1 of this Agreement.

5. Arbitration. Any controversy or claim arising out of or related to (a) this Agreement, (b) the breach thereof, (c) Executive's employment with the Company or the termination of such employment, or (d) Employment Discrimination, shall be settled by arbitration in Chicago, Illinois before a single arbitrator administered by the American Arbitration Association ("AAA") under its National Rules for the Resolution of Employment Disputes, amended and restated effective as of January 1, 2004 (the "Employment Rules"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, Rule R-34 of the AAA's Commercial Arbitration Rules amended and restated effective as of July 1, 2003 (instead of Rule 27 of the Employment Rules)

shall apply to interim measures. References herein to any arbitration rule(s) shall be construed as referring to such rule(s) as amended or renumbered from time to time and to any successor rules. References to the AAA include any successor organization. "Employment Discrimination" means any discrimination against or harassment of Executive in connection with Executive's employment with the Company or the termination of such employment, including any discrimination or harassment prohibited under federal, state or local statute or other applicable law, including the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974, the Americans with Disability Act, the Family and Medical Leave Act, the Fair Labor Standards Act, or any similar federal, state or local statute.

6. Miscellaneous.

(a) Assignment. Executive may not assign any of her rights or obligations hereunder without the written consent of the Company. Except as otherwise expressly provided herein, all covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

(b) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity and without invalidating the remainder of this Agreement.

(c) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement.

(d) Descriptive Headings; Interpretation. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. The use of the word "including" in this Agreement shall be by way of example rather than by limitation.

(e) Notices. All notices, demands or other communications to be given under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered personally to the recipient, (ii) sent to the recipient by reputable express courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, or (iii) transmitted by telecopy to the recipient with a confirmation copy to follow the next day to be delivered by overnight carrier. Such notices, demands and other communications shall be sent to the addresses indicated below:

To the Company:
Huron Consulting Services LLC.
550 West Van Buren Street
Chicago, IL 60607
Attention: Vice President, Human Resources
Facsimile: (312) 583-8701

To Executive:
Natalia Delgado
70 E. Cedar
Chicago, IL 60611

or to such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. The date in which such notice shall be deemed given shall be (w) the date of receipt if personally delivered, (x) three business days after the date of mailing if sent by certified or registered mail, (y) one business day after the date of delivery to the overnight courier if sent by overnight courier or (z) the next business day after the date of transmittal by telecopy.

(f) Recitals. The Recitals set forth herein are hereby incorporated and made part of this Agreement.

(g) Entire Agreement. Except as otherwise expressly set forth herein, this Agreement sets forth the entire understanding of the parties, and supersedes and preempts all prior oral or written understandings and agreements with respect to the subject matter hereof.

(h) Governing Law. This Agreement and the Hiring Agreements shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement and the Hiring Agreements shall be governed by, the laws of the State of Illinois without giving effect to provisions thereof regarding conflict of laws.

(i) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

(j) Amendment and Waivers. Any provisions of the Agreement may be amended or waived only with the prior written consent of the Company and Executive.

7. Effectiveness. Following the effectiveness of this Agreement and except as specifically set forth in this Agreement, the Hiring Agreements shall remain in full force and effect and, as amended by this Agreement, are hereby ratified and confirmed by the Company and the Executive.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates written below.

THE COMPANY:

HURON CONSULTING SERVICES LLC

By: /S/ GARY HOLDREN
Its: **Chairman & CEO**

Date: November 2, 2004

THE PARENT:

HURON CONSULTING GROUP INC.

By: /S/ GARY HOLDREN
Its: **Chairman & CEO**

Date: November 2, 2004

EXECUTIVE:

/S/ NATALIA DELGADO
Natalia Delgado

Date: November 2, 2004

Exhibit A

GENERAL RELEASE OF ALL CLAIMS

1. For valuable consideration, the adequacy of which is hereby acknowledged, the undersigned ("Executive"), for herself, her spouse, heirs, administrators, children, representatives, executors, successors, assigns, and all other persons claiming through Executive, if any (collectively, "Releasers"), does hereby release, waive, and forever discharge Huron Consulting Services LLC (the "Huron") and the parent company to Huron ("Parent") (collectively Huron and Parent being "Company"), Company's agents, subsidiaries, parents affiliates, related organizations, employees, officers, directors, attorneys, successors, and assigns (collectively, the "Releasees") from, and does fully waive any obligations of Releasees to Releasers for, any and all liability, actions, charges, causes of action, demands, damages, or claims for relief, remuneration, sums of money, accounts or expenses (including attorneys' fees and costs) of any kind whatsoever, whether known or unknown or contingent or absolute, which heretofore has been or which hereafter may be suffered or sustained, directly or indirectly, by Releasers in consequence of, arising out of, or in any way relating to Executive's employment with the Company or any of its affiliates and the termination of Executive's employment. The foregoing release and discharge, waiver and covenant not to sue includes, but is not limited to, all claims and any obligations or causes of action arising from such claims, under common law including wrongful or retaliatory discharge, breach of contract (including but not limited to any claims under the letter of employment between Huron and Executive, dated August 23, 2004, and the Senior Management Change of Control Agreement, dated November 2, 2004, as amended from time to time (but excluding claims regarding severance pay and benefits) and any claims under any stock option and restricted stock agreements between Executive and Huron or Parent) and any action arising in tort including libel, slander, defamation or intentional infliction of emotional distress, and claims under any federal, state or local statute including Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 and 1871 (42 U.S.C. § 1981), the National Labor Relations Act, the Age Discrimination in Employment Act (ADEA), the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Illinois Human Rights Act, or the discrimination or employment laws of any state or municipality, and/or any claims under any express or implied contract which Releasers may claim existed with Releasees. This also includes a release by Executive of any claims for breach of contract, wrongful discharge and all claims for alleged physical or personal injury, emotional distress relating to or arising out of Executive's employment with the Company or the termination of that employment; and any claims under the WARN Act or any similar law, which requires, among other things, that advance notice be given of certain work force reductions. This release and waiver does not apply to any claims or rights that may arise after the date Executive signs this General Release. The foregoing release does not cover any right to indemnification now existing under the Operating Agreement of Huron or the Parent regardless of when any claim is filed.

2. Excluded from this release and waiver are any claims, which cannot be waived by law, including but not limited to the right to participate in an investigation, conducted by certain government agencies. Executive does, however, waive Executive's right to any monetary recovery should any agency (such as the Equal Employment Opportunity Commission) pursue any claims on Executive's behalf. Executive represents and warrants that Executive has not filed

any complaint, charge, or lawsuit against the Releasees with any government agency or any court.

3. Executive agrees never to sue Releasees in any forum for any claim covered by the above waiver and release language, except that Executive may bring a claim under the ADEA to challenge this General Release. If Executive violates this General Release by suing Releasees, other than under the ADEA or as otherwise set forth in Section 1 hereof, Executive shall be liable to the Company for its reasonable attorneys' fees and other litigation costs incurred in defending against such a suit. Nothing in this General Release is intended to reflect any party's belief that Executive's waiver of claims under ADEA is invalid or unenforceable, it being the interest of the parties that such claims are waived.

4. Executive acknowledges and recites that:

(a) Executive has executed this General Release knowingly and voluntarily;

(b) Executive has read and understands this General Release in its entirety;

(c) Executive has been advised and directed orally and in writing (and this subparagraph (c) constitutes such written direction) to seek legal counsel and any other advice she wishes with respect to the terms of this General Release before executing it;

(d) Executive's execution of this General Release has not been forced by any employee or agent of the Company, and Executive has had an opportunity to negotiate about the terms of this General Release; and

(e) Executive has been offered 21 calendar days after receipt of this General Release to consider its terms before executing it.

5. This General Release shall be governed by the internal laws (and not the choice of laws) of the State of Illinois, except for the application of pre-emptive Federal law.

6. Executive shall have 7 days from the date hereof to revoke this General Release by providing written notice of the revocation to the Company, as provided in Section 6(e) of the Senior Management Change of Control Agreement, in which event this General Release shall be unenforceable and null and void.

PLEASE READ THIS AGREEMENT CAREFULLY. IT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Date: ___________________

____

Natalia Delgado
Executive

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated February 14, 2005, except as to Note 15 which is as of August 26, 2005 relating to the financial statements of Huron Consulting Group Inc. which appears in such Registration Statement.

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated July 15, 2005 relating to the financial statements of Speltz & Weis LLC which appears in such Registration Statement.

We also consent to the reference to us under the heading “Experts” in such Registration Statement.

PricewaterhouseCoopers LLP
Chicago, Illinois
August 29, 2005