Huron Consulting Group Inc.
Form S-1/A
January 25, 2006
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As filed with the Securities and Exchange Commission on January 25, 2006.

Registration No. 333-130951

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

HURON CONSULTING GROUP INC.

(Exact name of registrant as specified in its charter)

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

550 West Van Buren Street

Chicago, Illinois 60607

(312) 583-8700

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

Natalia Delgado

General Counsel and Corporate Secretary

Huron Consulting Group Inc.

550 West Van Buren Street

Chicago, Illinois 60607

(312) 583-8700

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

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

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

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

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

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

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

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

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

PRELIMINARY PROSPECTUS Subject to Completion January 25, 2006

4,000,000 Shares

Common Stock

All of the shares of our common stock in the offering are being sold by HCG Holdings LLC, the selling stockholder. 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 January 24, 2006 was $23.90 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 12 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 stockholder	$	$

The underwriters may also purchase up to an additional 600,000 shares of common stock from the selling stockholder at the public offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus to cover over-allotments, if any. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $ and total proceeds, before expenses, to the selling stockholder will be $.

The underwriters are offering the common stock as set forth under Underwriting. Delivery of the shares of common stock will be made on or about , 2006.

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

Robert W. Baird & Co.

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You should only rely on the information contained in this prospectus. Neither we, the selling stockholder nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus. The selling stockholder is 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.

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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 both the year ended December 31, 2004 and the nine months ended September 30, 2005, we derived 57.9% of our revenues from Financial Consulting and 42.1% 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 2,500 engagements for over 1,400 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 December 31, 2005, we had 773 employees, including 632 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

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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, the selling stockholder in this offering, currently owns approximately 50.5% 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 27.3% 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 that consisted 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:

Ø **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.

Ø **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.

Ø **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.

Ø

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.

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OUR GROWTH STRATEGY

We have grown significantly since we commenced operations, nearly tripling the number of our consultants from 213 on May 31, 2002 to 632 on December 31, 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.

- **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;

- Ø 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;

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- Ø 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;

- Ø 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;

- Ø 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

- Ø 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 12. You should consider carefully all of these risks before making an investment in our common stock.

HCG HOLDINGS LLC

HCG Holdings LLC, the selling stockholder in this offering, currently owns approximately 50.5% 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 27.3% 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 23 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, and John McCartney, a board member. These individuals collectively hold 0.4% of the common interests in HCG Holdings LLC. On January 17, 2006, HCG Holdings LLC redeemed the 1.7% common membership interest formerly held by Gary Holdren, our Chief Executive Officer and a board member, in exchange for 149,347 shares of our common stock owned by HCG Holdings LLC and cash consideration in the amount of approximately $2,200. 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.

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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 1,304,688 shares of common stock issuable upon the exercise of outstanding options at December 31, 2005.

(1) The common interests in HCG Holdings LLC held by this group reflects the interests held by 23 of our managing directors that are not executive officers. None of these 23 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 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

(Footnotes continued on following page.)

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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., each of which owns 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 28 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) For purposes of this chart, Mr. Holdren has been attributed with ownership of 5.1% 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.

RECENT DEVELOPMENTS

For the fourth quarter of 2005, we expect to report revenues of approximately $55 million to $56 million compared to $40.8 million for the fourth quarter of 2004, operating income of approximately $7.5 million to $8.5 million compared to $4.6 million for the fourth quarter of 2004, and GAAP earnings per diluted share of approximately $0.26 to $0.27 compared to $0.15 for the comparable quarter last year. These preliminary results are after deducting offering costs payable by us totaling approximately $0.1 million, or $0.005 per share, for the fourth quarter of 2005. These offering costs include costs for both the offering that was withdrawn in November 2005 and this current offering. These preliminary results are also after deducting stock-based compensation expense of approximately $2 million for the fourth quarter of 2005. For this period, we did not adopt Statement of Financial Accounting Standards (SFAS) No. 123R, Share-Based Payment, which would not have had a material impact on fourth quarter 2005 results.

Our utilization rate for the fourth quarter was 77.4% compared to 77.8% in the fourth quarter of 2004. Average billing rate per hour for the quarter is expected to be in the range of $246 to $250 compared to $243 for the fourth quarter of 2004.

For the year ended December 31, 2005, we expect to report revenues of approximately $206 million to $207 million compared to $159.6 million for the year ended December 31, 2004, operating income of approximately $31 million to $32 million compared to $19.7 million for 2004, and GAAP earnings per diluted share of approximately $1.05 to $1.06 compared to $0.72 for 2004. These preliminary results

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are after deducting offering costs payable by us totaling approximately $0.5 million, or $0.03 per share, for the year. These offering costs include costs for both the offering that was withdrawn in November 2005 and this current offering. These preliminary results are also after deducting stock-based compensation expense of approximately $7 million for the year. For this period, we did not adopt SFAS No. 123R, which would not have had a material impact on full year 2005 results.

Our utilization rate for the full year 2005 was 76.5% compared to 72.2% for the prior year. Average billing rate per hour is expected to be in the range of $248 to $249 compared to $239 for the prior year. We finished the year with 632 billable consultants versus 483 billable consultants at the end of 2004.

The final financial results for the fourth quarter and the year ended 2005 may differ, and may be materially different, from the preliminary financial results we are reporting due to completion of annual audit procedures, final adjustments and other developments that may arise between now and the time the financial results are finalized for these periods. Accordingly, you should not place undue reliance on these preliminary financial results.

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The offering

Common stock offered by the selling stockholder	4,000,000 shares
Common stock to be outstanding immediately after this offering	17,248,379 shares
Over-allotment option	600,000 shares to be offered by the selling stockholder 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 stockholder.

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 the selling stockholder.

The number of shares of our common stock outstanding immediately after this offering is based on the number of shares outstanding at December 31, 2005. This number does not include:

- Ø 1,304,688 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 $2.15 per share; and
- Ø 597,747 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.

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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 nine months ended September 30, 2004 and 2005 and as of September 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 nine months ended September 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 nine months ended September 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.

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Consolidated statements of operations data:	Mar. 19, 2002 (inception) to Dec. 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, Pro Forma 2004 (unaudited)	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, Pro Forma 2005 (unaudited)
	(in thousands, except per share and other operating data)						
Revenues	$ 35,101	$ 101,486	$ 159,550	$ 178,577	$ 118,713	$ 151,586	$ 159,867
Reimbursable expenses	2,921	8,808	14,361	16,024	10,315	13,901	14,686
Total revenues and reimbursable expenses	38,022	110,294	173,911	194,601	129,028	165,487	174,553
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	69,672	81,653	87,843
Stock-based compensation		27	978	978	330	3,641	3,641
Intangible assets amortization				1,900		1,067	2,024
Reimbursable expenses	2,921	8,929	14,281	15,944	10,226	14,065	14,847
Total direct costs and reimbursable expenses	28,976	78,330	107,529	124,133	80,228	100,426	108,355
Operating expenses:							
Selling, general and administrative	8,813	25,171	40,425	40,736	28,411	36,251	36,322
Stock-based compensation		14	433	433	113	1,352	1,352
Depreciation and amortization	3,048	5,328	2,365	2,790	1,682	3,861	4,059
Restructuring charges			3,475	3,475	3,475		
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	33,681	41,464	41,733
Operating income (loss)	(6,530)	(217)	19,684	23,034	15,119	23,597	24,465
Other (income) expense:							
Interest (income) expense, net	332	856	692	796	735	(313)	(276)
Other (income) expense	1	112				36	36)
Total other (income) expense	333	968	692	796	735	(277)	(240)
Income (loss) before provision (benefit) for income taxes	(6,863)	(1,185)	18,992	22,238	14,384	23,874	24,705
Provision (benefit) for income taxes	(2,697)	(122)	8,128	9,810	6,042	10,624	11,084
Net income (loss)	(4,166)	(1,063)	10,864	12,428	8,342	13,250	13,621
Accrued dividends on 8% preferred stock	646	1,066	931	931	857		
Net income (loss) attributable to common stockholders	$ (4,812)	$ (2,129)	$ 9,933	$ 11,497	$ 7,485	$ 13,250	$ 13,621
Net income (loss) attributable to common stockholders per share(2):							
Basic	$ (0.41)	$ (0.18)	$ 0.77	$ 0.90	$ 0.57	$ 0.85	$ 0.87
Diluted	$ (0.41)	$ (0.18)	$ 0.72	$ 0.84	$ 0.53	$ 0.79	$ 0.81

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	12,068	15,657	15,657
Diluted	11,803	11,871	13,765	13,765	13,045	16,801	16,801
Cash dividend per common share(3)	$	$	$ 0.09	$ 0.09	$	$	$

(See footnotes on the following page.)

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Other operating data (unaudited):	Mar. 19, 2002 (inception) to Dec. 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2005
Number of consultants (at end of period)(4)	262	477	483	489	626
Average number of consultants (for the period)	247	361	485	485	543
Utilization rate(5)	57.3%	66.1%	72.2%	70.5%	76.2%
Average billing rate per hour(6)	$ 206	$ 217	$ 239	$ 237	$ 249

Consolidated balance sheet data:	As of September 30, 2005 (unaudited)
	(in thousands)
Cash and cash equivalents	$ 21,875
Working capital	$ 46,341
Total assets	$ 115,402
Long-term debt(7)	$ 2,000
Total stockholders equity	$ 69,607

(1) Intangible assets amortization relating to customer contracts is presented as a component of total direct costs. Depreciation, amortization of leasehold improvements and amortization of intangible assets 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) 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, and other managing directors, and our ability to retain them is particularly important to our future success. During 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 and Burge. These individuals collectively hold 0.3% 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

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Risk factors

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 $13.3 million for the year ended December 31, 2004 and the nine months ended September 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:

Ø attract, integrate, retain and motivate highly qualified consultants;

Ø achieve and maintain adequate utilization and suitable billing rates for our consultants;

Ø expand our existing relationships with our clients and identify new clients in need of our services;

Ø maintain and enhance our brand recognition; and

Ø 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, nearly tripling the number of our consultants from 213 on May 31, 2002 to 632 as of December 31, 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:

- Ø the number and size of client engagements;
- Ø the timing of the commencement, completion and termination of engagements, which in many cases is unpredictable;
- Ø our ability to transition our consultants efficiently from completed engagements to new engagements;
- Ø 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;
- Ø unanticipated changes in the scope of client engagements;
- Ø our ability to forecast demand for our services and thereby maintain an appropriate level of consultants; and
- Ø 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:

- Ø our clients perception of our ability to add value through our services;
- Ø the market demand for the services we provide;
- Ø introduction of new services by us or our competitors;
- Ø our competition and the pricing policies of our competitors; and
- Ø 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 37.8% of our revenues in the nine months ended September 30, 2005. One of our clients accounted for 11.6% of our revenues in the nine months ended September 30, 2005 and represented 10.2% of our receivables and unbilled services balance as of September 30, 2005. Our clients typically retain us on an engagement-by-engagement basis, rather than under fixed-term contracts; 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. Moreover, a large portion of our new engagements come from existing clients. 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, require us to reduce our fees for the duration of an engagement or approve claims against fees earned by us prior to or after the bankruptcy filing. For example, shortly after we acquired Speltz & Weis LLC, its largest client, which accounted for approximately 82.8% of its 2004 revenues and which accounted for approximately $10.3 million of our revenues in the nine months ended September 30, 2005, filed for bankruptcy. While the Bankruptcy Court approved our retention, it did so subject to certain fee reductions that we negotiated with the client and certain other interested parties. Depending on the outcome of the bankruptcy proceeding, we may not receive the full amount of these negotiated amounts. Moreover, several parties to the bankruptcy case have reserved their right to challenge fees earned by us and Speltz and Weis prior to the bankruptcy filing on July 5, 2005. Although no such claim has been brought to date, if a claim is brought in the future, the claim could have a material adverse impact on our financial position, results of operations, earnings per share or cash flows in the period in which such claim were resolved. Terminations of engagements, cancellations of portions of the project plan, delays in the work schedule or reductions in fees could result from factors unrelated to our services. 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;
- the adverse short-term effects on reported operating results from the amortization or write-off of acquired goodwill and other intangible assets, such as described in Management s Discussion and Analysis Subsequent Event ;
- 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 12.9% of our revenues for the year ended December 31, 2004 and the nine months ended September 30, 2005, respectively. The decrease is a result of the wind-up of several large bankruptcy engagements. 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

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the services of financial advisors. A number of other factors also affect demand for this practice. These factors include:

- Ø over-expansion by various businesses;
- Ø management s inability to address critical operational and financial issues;
- Ø the level of lending activity and over-leveraging of companies; and
- Ø 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 12.2% of our revenues for the year ended December 31, 2004 and the nine months ended September 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 2.5% of our revenues for the year ended December 31, 2004 and the nine months ended September 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. For example, net deferrals of $2.1 million of performance-based fees for services rendered had the effect of reducing our average billing rate per hour for the nine months ended September 30, 2005 by $7.

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

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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:

Ø our inability to estimate demand for the new service offerings;

Ø competition from more established market participants;

Ø a lack of market understanding; and

Ø 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

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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. 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

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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 December 31, 2005, there were 1,304,688 shares of common stock issuable upon the exercise of outstanding stock options, with a weighted average exercise price of $2.15 per share.

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

Sales of a substantial number of shares of our common stock in the public market following this offering, or the perception that large sales could occur, could cause the market price of our common stock to decline or limit our future ability to raise capital through an offering of equity securities. Of the shares of our common stock expected to be outstanding upon consummation of this offering: (1) approximately 72.5% will be freely tradable without restriction or further registration under the federal securities laws and (2) approximately 4,730,171 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 5,106,534 restricted shares. In addition, our certificate of incorporation permits the issuance of up to 500,000,000 shares of common stock. As of December 31, 2005, we had an aggregate of approximately 482,602,688 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 the 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, 5,819,263 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 December 31, 2005, there were 1,304,688 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 27.3% of our outstanding common stock, or approximately 23.9% 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 trading history of our common stock is characterized by low trading volume which can result in price volatility. The value of your investment may be subject to sudden decreases due to the volatility of the price of our common stock.

Our common stock trades on The Nasdaq National Market. Over the past three months, the average daily trading volume of our common stock was approximately 36,800 shares. We cannot predict the extent to which investor interest in us will lead to a more active trading market in our common stock or how liquid that market might become. A public trading market having the desired characteristics of depth, liquidity and orderliness depends upon the presence in the marketplace of willing buyers and seller of our common stock at any given time, which presence is dependent upon the individual decisions of investors, over which we have no control.

The closing sales price of our common stock has ranged from a high of $28.40 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.

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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:

- Ø permit our board of directors to issue one or more series of preferred stock with rights and preferences designated by our board;
- Ø impose advance notice requirements for stockholder proposals and nominations of directors to be considered at stockholder meetings;
- Ø stagger the terms of our board of directors into three classes;
- Ø limit the ability of stockholders to remove directors;
- Ø 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;
- Ø prohibit stockholders from calling special meetings of stockholders and from taking action by written consent;
- Ø 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
- Ø 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.

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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 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.

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Use of proceeds

All of the shares of common stock offered by this prospectus are being sold by the selling stockholder. We will not receive any proceeds from the sale of shares by the selling stockholder.

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	28.30	23.10
Fourth Quarter	28.40	23.45
2006:		
First Quarter (through January 24, 2006)	26.27	23.90

On January 24, 2006, the last reported sale price of our common stock as reported on the NASDAQ National Market was $23.90 per share. As of December 31, 2005, there were 66 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.

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Capitalization

The following table sets forth our capitalization as of September 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 September 30, 2005 (unaudited) (in thousands, except share data)
Cash and cash equivalents	$	21,875
Long-term debt(1)	$	2,000
Stockholders equity:		
Common stock, par value $.01 per share; 500,000,000 shares authorized; 17,276,585 shares issued and 17,214,435 shares outstanding		173
Treasury stock, 62,150 shares, at cost		(1,044)
Additional paid-in capital		76,172
Deferred stock-based compensation		(20,686)
Retained earnings		14,992
Total stockholders equity		69,607
Total capitalization	$	71,607

(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 September 30, 2005 excludes 1,334,193 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 $2.20 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 nine months ended September 30, 2004 and 2005 and as of September 30, 2005 from our unaudited interim consolidated financial statements. The historical consolidated statements of operations and other operating data for the nine months ended September 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.

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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	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2005
				(unaudited)	
	(in thousands, except per share and other operating data)				
Revenues	$ 35,101	$ 101,486	$ 159,550	$ 118,713	$ 151,586
Reimbursable expenses	2,921	8,808	14,361	10,315	13,901
Total revenues and reimbursable expenses	38,022	110,294	173,911	129,028	165,487
Direct costs and reimbursable expenses (exclusive of depreciation and amortization shown in operating expenses)(1):					
Direct costs	26,055	69,374	92,270	69,672	81,653
Stock-based compensation		27	978	330	3,641
Intangible assets amortization					1,067
Reimbursable expenses	2,921	8,929	14,281	10,226	14,065
Total direct costs and reimbursable expenses	28,976	78,330	107,529	80,228	100,426
Operating expenses:					
Selling, general and administrative	8,813	25,171	40,425	28,411	36,251
Stock-based compensation		14	433	113	1,352
Depreciation and amortization	3,048	5,328	2,365	1,682	3,861
Restructuring charges			3,475	3,475	
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	33,681	41,464
Operating income (loss)	(6,530)	(217)	19,684	15,119	23,597
Other (income) expense:					
Interest (income) expense, net	332	856	692	735	(313)
Other (income) expense	1	112			36
Total other (income) expense	333	968	692	735	(277)
Income (loss) before provision (benefit) for income taxes	(6,863)	(1,185)	18,992	14,384	23,874
Provision (benefit) for income taxes	(2,697)	(122)	8,128	6,042	10,624
Net income (loss)	(4,166)	(1,063)	10,864	8,342	13,250
Accrued dividends on 8% preferred stock	646	1,066	931	857	
Net income (loss) attributable to common stockholders	$ (4,812)	$ (2,129)	$ 9,933	$ 7,485	$ 13,250
Net income (loss) attributable to common stockholders per share(2):					
Basic	$ (0.41)	$ (0.18)	$ 0.77	$ 0.57	$ 0.85

Diluted	$ (0.41)	$ (0.18)	$ 0.72	$ 0.53	$ 0.79
Weighted average shares used in calculating net income (loss) attributable to common stockholders per share(2):					
Basic	11,803	11,871	12,820	12,068	15,657
Diluted	11,803	11,871	13,765	13,045	16,801
Cash dividend per common share(3)	$	$	$ 0.09	$	$

(See footnotes on the following page.)

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Selected consolidated financial and other operating data

	Mar. 19, 2002 (inception) to Dec. 31,	Year Ended December 31,		Nine Months Ended September 30, 2005
Other operating data (unaudited):	**2002**	**2003**	**2004**	