Huron Consulting Group Inc.
Form 10-Q
October 30, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10–Q

(Mark One)
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2008

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-50976

Huron Consulting Group Inc.
(Exact name of registrant as specified in its charter)

Delaware	01-0666114
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

550 West Van Buren Street
Chicago, Illinois
60607
(Address of principal executive offices)
(Zip Code)

(312) 583-8700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer x Accelerated filer o Non-accelerated filer o

Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of October 23, 2008, approximately 20,837,460 shares of the registrant's common stock, par value $0.01 per share, were outstanding.

HURON CONSULTING GROUP INC.

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PART I — FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

HURON CONSULTING GROUP INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	September 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 14,545	$ 2,993
Receivables from clients, net	102,267	86,867
Unbilled services, net	61,053	28,245
Income tax receivable	6,469	13,492
Deferred income taxes	15,381	13,680
Prepaid expenses and other current assets	12,943	10,435
Total current assets	212,658	155,712
Property and equipment, net	46,530	38,147
Deferred income taxes	2,811	3,628
Other non-current assets	16,259	8,737
Intangible assets, net	38,195	13,936
Goodwill	451,271	223,053
Total assets	$ 767,724	$ 443,213
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 8,586	$ 5,823
Accrued expenses	22,131	15,208
Accrued payroll and related benefits	49,931	58,279
Accrued consideration for business acquisitions	21,152	34,962
Income tax payable	3,500	1,342
Deferred revenues	21,175	5,278
Note payable and current portion of capital lease obligations	454	1,309
Total current liabilities	126,929	122,201
Non-current liabilities:		
Deferred compensation and other liabilities	5,273	3,795
Capital lease obligations, net of current portion	252	234
Bank borrowings	335,000	123,500
Deferred lease incentives	8,908	9,699
Total non-current liabilities	349,433	137,228

Commitments and contingencies		-		-
Stockholders' equity				
Common stock; $0.01 par value; 500,000,000 shares authorized; 21,163,784 and 19,279,176 shares issued at September 30, 2008 and December 31,2007, respectively		199		182
Treasury stock, at cost, 376,479 and 589,755 shares at September 30, 2008 and December 31, 2007, respectively		(20,045)		(20,703)
Additional paid-in capital		194,689		116,148
Retained earnings		116,953		88,101
Accumulated other comprehensive income (loss)		(434)		56
Total stockholders' equity		291,362		183,784
Total liabilities and stockholders' equity	$	767,724	$	443,213

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

HURON CONSULTING GROUP INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

(Unaudited)

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Revenues and reimbursable expenses:				
Revenues	$ 168,659	$ 134,051	$ 451,461	$ 368,326
Reimbursable expenses	16,696	11,286	40,874	32,231
Total revenues and reimbursable expenses	185,355	145,337	492,335	400,557
Direct costs and reimbursable expenses (exclusive of depreciation and amortization shown in operating expenses):				
Direct costs	100,263	80,237	269,698	213,648
Intangible assets amortization	3,036	2,208	3,084	6,752
Reimbursable expenses	16,734	11,108	40,922	32,039
Total direct costs and reimbursable expenses	120,033	93,553	313,704	252,439
Operating expenses:				
Selling, general and administrative	34,435	25,675	96,377	75,108
Depreciation and amortization	6,260	4,283	16,768	12,502
Restructuring charges	2,343	-	2,343	-
Total operating expenses	43,038	29,958	115,488	87,610
Operating income	22,284	21,826	63,143	60,508
Other income (expense):				
Interest income (expense), net	(4,938)	(2,621)	(9,065)	(5,871)
Other income (expense)	(518)	11	(847)	136
Total other expense	(5,456)	(2,610)	(9,912)	(5,735)
Income before provision for income taxes	16,828	19,216	53,231	54,773
Provision for income taxes	7,998	8,729	24,379	24,374
Net income	$ 8,830	$ 10,487	$ 28,852	$ 30,399
Earnings per share:				

Basic	$ 0.46	$ 0.61	$ 1.61	$ 1.80
Diluted	$ 0.44	$ 0.58	$ 1.54	$ 1.69
Weighted average shares used in calculating earnings per share:				
Basic	18,901	17,033	17,947	16,868
Diluted	19,845	18,137	18,750	17,967

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

HURON CONSULTING GROUP INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(In thousands, except share amounts)
(Unaudited)

	Common Stock						
	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Compre-hensive Income (Loss)	Stockholders' Equity
Balance at December 31, 2007	18,244,073	$ 182	$ (20,703)	$ 116,148	$ 88,101	$ 56	$ 183,784
Comprehensive income:							
Net income	-	-	-	-	28,852	-	28,852
Foreign currency translation adjustment	-	-	-	-	-	(490)	(490)
Total comprehensive income							28,362
Issuance of common stock in connection with:							
Restricted stock awards, net of cancellations	342,196	3	6,431	(6,434)	-	-	-
Exercise of stock options	199,047	2	-	229	-	-	231
Business combinations	1,210,814	12	-	54,988	-	-	55,000
Share-based compensation	-	-	-	20,421	-	-	20,421
Shares redeemed for employee tax withholdings	-	-	(5,773)	-	-	-	(5,773)
Income tax benefit on share-based compensation	-	-	-	9,337	-	-	9,337
Balance at September 30, 2008	19,996,130	$ 199	$ (20,045)	$ 194,689	$ 116,953	$ (434)	$ 291,362

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

HURON CONSULTING GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Cash flows from operating activities:		
Net income	$ 28,852	$ 30,399
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,852	19,254
Deferred income taxes	375	(10,165)
Share-based compensation	20,421	14,238
Allowances for doubtful accounts and unbilled services	3,859	5,511
Other	-	8
Changes in operating assets and liabilities, net of businesses acquired:		
Increase in receivables from clients	(6,354)	(28,290)
Increase in unbilled services	(29,867)	(20,674)
Decrease (increase) in income tax receivable / payable, net	9,181	(319)
Increase in other assets	(7,494)	(4,996)
Increase in accounts payable and accrued liabilities	8,805	2,929
Increase (decrease) in accrued payroll and related benefits	(11,874)	8,471
Increase (decrease) in deferred revenues	8,653	(3,814)
Net cash provided by operating activities	44,409	12,552
Cash flows from investing activities:		
Purchases of property and equipment, net	(17,478)	(11,850)
Net investment in life insurance policies	(1,326)	(1,985)
Purchases of businesses, net of cash acquired	(227,537)	(160,515)
Net cash used in investing activities	(246,341)	(174,350)
Cash flows from financing activities:		
Proceeds from exercise of stock options	231	431

Shares redeemed for employee tax withholdings	(5,773)	(5,621)
Tax benefit from share-based compensation	9,337	8,772
Proceeds from borrowings under line of credit	575,500	292,000
Repayments on line of credit	(364,000)	(145,500)
Principal payment of note payable and capital lease obligations	(1,321)	(1,139)
Net cash provided by financing activities	213,974	148,943
Effect of exchange rate changes on cash	(490)	25
Net increase (decrease) in cash and cash equivalents	11,552	(12,830)
Cash and cash equivalents at beginning of the period	2,993	16,572
Cash and cash equivalents at end of the period	$ 14,545	$ 3,742
Supplemental disclosure of cash flow information:		
Non-cash investing activity:		
Issuance of common stock in connection with business combinations	$ 55,000	$ -
Issuance of common stock in connection with business combination classified as a liability	$ 15,000	$ -

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

HURON CONSULTING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular amounts in thousands, except per share amounts)

1. Description of Business

Huron Consulting Group Inc. was formed in March 2002 and commenced operations in May 2002. Huron Consulting Group Inc., together with its 100% owned operating subsidiaries (collectively, 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.

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. 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 ("GAAP"). These financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2007 included in the Company's Annual Report on Form 10-K and the Company's Quarterly Reports on Form 10-Q for the periods ended March 31, 2008 and June 30, 2008. Certain amounts reported in the previous year have been reclassified to conform to the 2008 presentation. 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 Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements. SFAS No. 157 does not require any new fair value measurements in financial statements, but standardizes its definition and guidance in GAAP. Thus, for some entities, the application of this statement may change prior practice. The Company adopted SFAS No. 157 effective beginning on January 1, 2008 for financial assets and financial liabilities, which did not have any impact on the Company's financial statements. In February 2008, the FASB issued FASB Staff Position FAS 157-2, "Effective Date of FASB Statement No. 157," which delayed by one year the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company will adopt SFAS No. 157 for its nonfinancial assets and nonfinancial liabilities, such as goodwill and intangible assets, effective January 1, 2009, which is not expected to have a material impact on the Company's future financial position, results of operations, earnings per share, or cash flows.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115." SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective of this statement is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Company adopted SFAS No. 159 effective beginning on January 1, 2008. The adoption of this statement did not have any impact on the Company's financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations," ("SFAS No. 141R"). SFAS No. 141R was issued to improve the relevance, representational faithfulness, and comparability of information in financial statements about a business combination and its effects. SFAS No. 141R will be effective for the Company beginning on January 1, 2009 and will apply prospectively to business combinations that the Company completes on or after that date. This statement retains the acquisition method of accounting for business combinations, but requires a number of changes. The changes that may have the most significant impact to the Company include: contingent consideration, such as earn-outs, will be recognized at its fair value on the acquisition date and, for certain arrangements, changes in fair value will be recognized in earnings until settled; acquisition-related transaction and restructuring costs will be expensed as incurred; previously-issued financial information will be revised for subsequent adjustments made to finalize the purchase price accounting; reversals of valuation allowances related to acquired deferred tax assets and changes to acquired income tax uncertainties will be

HURON CONSULTING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Tabular amounts in thousands, except per share amounts)

recognized in earnings, except in certain situations.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51." SFAS No. 160 was issued to improve the relevance, comparability, and transparency of financial information provided in financial statements by establishing accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 will be effective for the Company beginning on January 1, 2009 and will apply prospectively, except for the presentation and disclosure requirements, which will apply retrospectively. The Company does not expect the adoption of this statement to have a material impact on its future financial position, results of operations, earnings per share, and cash flows.

4. Business Combinations

Acquisition of Stockamp & Associates, Inc.
On July 8, 2008, the Company acquired Stockamp & Associates, Inc. ("Stockamp"), a management consulting firm specializing in helping high-performing hospitals and health systems optimize their financial and operational performance. With the acquisition of Stockamp, the Company will expand its presence in the hospital consulting market and will be better positioned to serve multiple segments of the healthcare industry, including major health systems, academic medical centers and community hospitals. This acquisition was consummated on July 8, 2008 and the results of operations of Stockamp have been included within the Health and Education Consulting segment since that date.

The aggregate purchase price of this acquisition was approximately $226.1 million, consisting of $168.5 million in cash paid at closing, $1.4 million of transaction costs, a $6.2 million preliminary working capital adjustment, and $50.0 million paid through the issuance of 1,100,740 shares of the Company's common stock. Of the 1,100,740 shares of common stock issued, 330,222 shares with an aggregate value of $15.0 million were deposited into escrow for a period of one year, beginning on July 8, 2008, to secure certain indemnification obligations of Stockamp and its shareholders. The cash portion of the purchase price was financed with borrowings under the Company's credit agreement.

The purchase agreement also provides for the following future potential payments:

1. With respect to the shares of common stock not placed in escrow, on the date that is six months and one day after the closing date (the "Contingent Payment Date"), the Company will pay Stockamp (in cash, shares of common stock, or any combination of cash and common stock, at the election of the Company) the amount, if any, equal to $35 million less the value of the common stock issued on the closing date, based on 95% of the average daily closing price per share of common stock for the ten consecutive trading days prior to the Contingent Payment Date. No payment will be made if the common stock so valued equals or exceeds $35.0 million on the Contingent Payment Date. Any additional payment resulting from this price protection will not change the purchase consideration. Based on the average daily closing price of the Company's common stock for the ten consecutive trading days prior to and including September 30, 2008, the Company would not be obligated to make any price protection payments to Stockamp.

2. With respect to the shares of common stock placed in escrow, when the shares are released to Stockamp (the "Contingent Escrow Payment Date"), the Company will pay Stockamp (in cash, shares of common stock, or any combination of cash and common stock at the election of the Company) the amount, if any, equal to $15.0 million

(or such pro rata portion thereof, to the extent fewer than all shares are being released) less the value of the common stock released from escrow based on 95% of the average daily closing price per share of common stock for the ten consecutive trading days prior to the Contingent Escrow Payment Date. No payment will be made if the common stock so valued equals or exceeds $15 million on the Contingent Escrow Payment Date (or the applicable pro rata portion thereof). Any additional payment resulting from this price protection will not change the purchase consideration. Based on the average daily closing price of the Company's common stock for the ten consecutive trading days prior to and including September 30, 2008, the Company would not be obligated to make any price protection payments to Stockamp. Because the shares placed in escrow have been issued conditionally since they may be returned to the Company in satisfaction of indemnification arrangements, the $15.0 million is classified as a liability and included in accrued consideration for business acquisitions on the Company's consolidated balance sheet.

HURON CONSULTING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Tabular amounts in thousands, except per share amounts)

3. For the period beginning on the closing date and ending on December 31, 2011, additional purchase consideration may be payable if specific performance targets are met. Such amounts will be recorded as additional purchase consideration and an adjustment to goodwill.

Based on a preliminary valuation that is subject to refinement, the identifiable intangible assets that were acquired totaled approximately $32.9 million and have an estimated weighted average useful life of 6 years, which consists of customer contracts totaling $5.8 million (7 months useful life), customer relationships totaling $11.0 million (12.5 years useful life), software totaling $8.5 million (4 years useful life), non-competition agreements totaling $4.0 million (6 years useful life), and a tradename valued at $3.6 million (2.5 years useful life). Additionally, the Company recorded approximately $184.9 million of goodwill, which the Company intends to deduct for income tax purposes.

Acquisition of Callaway Partners, LLC

In July 2007, the Company acquired Callaway Partners, LLC ("Callaway"), a professional services firm that specializes in finance and accounting projects, financial reporting, internal audit and controls, and corporate tax solutions. With Callaway's extensive senior consultant and project management skills, along with its variable, on-demand workforce, the Company is better positioned to assist clients with their accounting and corporate compliance challenges. This acquisition was consummated on July 29, 2007 and the results of operations of Callaway have been included within the Company's Financial Consulting segment since that date.

The aggregate purchase price of this acquisition was approximately $88.4 million, consisting of $58.5 million in cash paid at closing, $1.5 million in cash paid upon the collection of receivables acquired, $0.6 million of transaction costs, a $4.8 million working capital adjustment, and $23.0 million paid in the form of a note payable relating to the settlement of the earn-out provision in the Callaway Asset Purchase Agreement, as described below. The $58.5 million paid at closing was financed with borrowings under the Company's bank credit agreement.

On April 4, 2008, the Company entered into an amendment to the Callaway Asset Purchase Agreement dated as of July 28, 2007, whereby the Company settled the earn-out provision under Section 3.3 of the agreement in consideration for $23.0 million, payable in the form of a promissory note (the "Note"), and the waiver of certain indemnity obligations. The Note, along with accrued interest of $0.5 million, was paid in full on August 15, 2008.

The identifiable intangible assets that were acquired totaled $5.7 million and have an estimated weighted average useful life of 27 months, which consists of customer contracts totaling $1.9 million (5 months useful life), customer relationships totaling $2.4 million (19 months useful life), and non-competition agreements totaling $1.4 million (72 months useful life). Additionally, the Company recorded approximately $72.0 million of goodwill, which the Company is deducting for income tax purposes.

Acquisition of Wellspring Partners LTD

In January 2007, the Company acquired Wellspring Partners LTD ("Wellspring"), a management consulting firm specializing in integrated performance improvement services for hospitals and health systems. With the acquisition of Wellspring, the Company expanded its national presence in the healthcare provider sector and now provides a full complement of services to a wide spectrum of hospitals and multi-hospital systems. This acquisition was consummated on January 2, 2007 and the results of operations of Wellspring have been included within the Company's Health and Education Consulting segment since that date.

The aggregate purchase price of this acquisition was approximately $110.2 million, consisting of $64.7 million in cash paid at closing, $0.4 million of transaction costs, a $0.7 million working capital adjustment, $0.3 million in cash paid upon the collection of receivables acquired, $24.1 million of additional purchase price earned by selling shareholders subsequent to the acquisition, as certain performance targets were met, and $20.0 million to settle certain earn-out provisions as described below. The Company financed this acquisition with a combination of cash on hand and borrowings of $55.0 million under the Company's bank credit agreement. Additional purchase consideration may be payable if specific performance targets are met over a five-year period. Such amounts will be recorded as additional purchase price and an adjustment to goodwill.

HURON CONSULTING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Tabular amounts in thousands, except per share amounts)

Concurrent with the Stockamp acquisition described above, on July 8, 2008 the Company entered into an amendment to the Wellspring Stock Purchase Agreement ("Wellspring Amendment"). Effective January 1, 2009, in connection with the Stockamp acquisition, the Company will combine Wellspring's revenue cycle business with Stockamp's revenue cycle business. As such, Wellspring will no longer be eligible for earn-out payments pertaining to that portion of the Wellspring business. In consideration for this, the Company paid the sellers $20.0 million through the issuance of 440,296 shares of its common stock. In addition, on the date that is six months and one day after the date of the Wellspring Amendment (the "Wellspring Contingent Payment Date"), the Company will pay the sellers (in cash, shares of common stock, or any combination of cash and common stock, at the election of the Company) the amount, if any, equal to $20.0 million less the value of the common stock issued on the date of the Wellspring Amendment, based on 95% of the average daily closing price per share of common stock for the ten consecutive trading days prior to the Wellspring Contingent Payment Date. No payment will be made if the common stock so valued equals or exceeds $20.0 million on the Wellspring Contingent Payment Date. Any additional payment resulting from this price protection will not change the purchase consideration. Based on the average daily closing price of the Company's common stock for the ten consecutive trading days prior to and including September 30, 2008, the Company would not be obligated to make any price protection payments to the sellers of Wellspring. The earn-out provision, as amended, pertaining to the non-revenue cycle portion of Wellspring's business will remain in effect through December 31, 2011.

The identifiable intangible assets that were acquired totaled $13.1 million and have an estimated weighted average useful life of 26 months, which consists of customer contracts totaling $4.7 million (9 months useful life), customer relationships totaling $3.9 million (20 months useful life), non-competition agreements totaling $2.4 million (72 months useful life), and a tradename valued at $2.1 million (24 months useful life). Additionally, the Company recorded approximately $100.6 million of goodwill, which the Company is not deducting for income tax purposes.

Acquisition of Glass & Associates, Inc.
Also in January 2007, the Company acquired Glass & Associates, Inc. ("Glass"), a turnaround and restructuring consulting firm that provides advice and leadership to troubled businesses in the United States and Europe. With the acquisition of Glass, the Company expanded its position in the consulting and restructuring marketplace, as well as expanded its interim management capabilities to distressed companies in industries beyond healthcare. The stock purchase agreement for this acquisition was executed on January 2, 2007 and the transaction was consummated on January 9, 2007 upon the satisfaction of certain closing conditions. The results of operations of Glass have been included within the Company's Corporate Consulting segment since January 2, 2007.

The aggregate purchase price of this acquisition was approximately $35.0 million, consisting of $30.0 million in cash paid at closing, $0.8 million of transaction costs, a $1.0 million working capital adjustment, $1.6 million in cash paid to sellers for a tax election reimbursement, and $1.6 million of additional purchase price earned by selling shareholders subsequent to the acquisition. The Company financed this acquisition with a combination of cash on hand and borrowings of $20.0 million under the Company's bank credit agreement. Additional purchase consideration may be payable if specific performance targets are met over a four-year period. Such amounts will be recorded as additional purchase price and an adjustment to goodwill. Also, additional payments may be made based on the amount of revenues the Company receives from referrals made by certain employees of Glass over a four-year period. Such amounts will be recorded as an expense.

The identifiable intangible assets that were acquired totaled $4.3 million and have an estimated weighted average useful life of 37 months, which consists of customer contracts totaling $1.0 million (6 months useful life), customer relationships totaling $1.1 million (19 months useful life), and non-competition agreements totaling $2.2 million (60 months useful life). Additionally, the Company recorded approximately $29.5 million of goodwill, which the Company is deducting for income tax purposes.

HURON CONSULTING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Tabular amounts in thousands, except per share amounts)

Purchase Price Allocations

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed for the Company's significant business acquisitions.

	(Preliminary) Stockamp July 8, 2008	Callaway July 29, 2007	Wellspring January 2, 2007	Glass January 2, 2007
Assets Acquired:				
Current assets	$ 17,769	$ 12,418	$ 9,868	$ 2,705
Property and equipment	2,158	698	1,073	215
Non-current assets	546	23	-	23
Intangible assets	32,900	5,700	13,100	4,300
Goodwill	184,865	72,007	100,566	29,517
	238,238	90,846	124,607	36,760
Liabilities Assumed:				
Current liabilities	11,892	2,354	9,128	1,727
Non-current liabilities	232	94	5,278	-
	12,124	2,448	14,406	1,727
Net Assets Acquired	$ 226,114	$ 88,398	$ 110,201	$ 35,033

Pro Forma Financial Data

The following unaudited pro forma financial data for the nine months ended September 30, 2008 and the three and nine months ended September 30, 2007 give effect to the acquisition of Stockamp as if it had been completed at the beginning of the periods presented. The actual results from the acquisition of Stockamp have been included within the Company's consolidated financial results since July 8, 2008.

	Nine Months Ended September 30, 2008	Three Months Ended September 30, 2007