

Huron Consulting Group Inc.  
Form DEF 14A  
March 24, 2010  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

**(Amendment No. ^ )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

**HURON CONSULTING GROUP INC.**

(Name of registrant as specified in its charter)

^

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

Table of Contents

Edgar Filing: Huron Consulting Group Inc. - Form DEF 14A

x No fee required.

.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:  
^

(2) Aggregate number of securities to which the transaction applies:  
^

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):  
^

(4) Proposed maximum aggregate value of the transaction:  
^

Edgar Filing: Huron Consulting Group Inc. - Form DEF 14A

(5) Total fee paid:

^

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

^

(2) Form, Schedule or Registration Statement No.:

^

(3) Filing Party:

^

(4) Date Filed:

^

**Table of Contents**

550 West Van Buren Street

Chicago, IL 60607

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**May 3, 2010**

The Annual Meeting of Stockholders of Huron Consulting Group Inc. (the Company) will be held at the Company's offices located at Six Concourse Parkway, Suite 2050, Atlanta, Georgia 30328 on May 3, 2010, at 1:00 p.m. Eastern Daylight Savings Time, for the following purposes:

- 1) To elect to the board of directors the three persons nominated by the board of directors;
- 2) To approve the Company's Amended and Restated 2004 Omnibus Stock Plan;
- 3) To ratify the appointment of PricewaterhouseCoopers LLP as the Company's auditor for the fiscal year ending December 31, 2010; and
- 4) To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

Only stockholders of record at the close of business on March 8, 2010 will be entitled to notice of and to vote at the meeting.

Stockholders, whether or not they expect to be present at the meeting, are requested to sign and date the enclosed proxy, which is solicited on behalf of the board of directors, and return it promptly in the envelope enclosed for that purpose. Any person giving a proxy has the power to revoke it at any time prior to the meeting, and stockholders who are present at the meeting may withdraw their proxies and vote in person.

**Important Notice Regarding the Availability of  
Proxy Materials for the Stockholder Meeting to be  
Held on May 3, 2010**

**The Proxy Statement and Annual Report to Stockholders are  
available at [www.edocumentview.com/HURN](http://www.edocumentview.com/HURN)**

By Order of the Board of Directors

Natalia Delgado, *Corporate Secretary*

Chicago, Illinois

March 24, 2010

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>GENERAL INFORMATION ABOUT THE MEETING</u>	1
<u>Quorum and Voting Requirements</u>	1
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	2
<u>Board of Directors</u>	2
<u>Nominees to Board of Directors</u>	3
<u>Directors Not Standing for Election</u>	4
<u>Executive Officers</u>	6
<u>Director Independence</u>	7
<u>Board Leadership Structure and Risk Oversight</u>	7
<u>Board Meetings and Committees</u>	9
<u>Stockholder Communications Policy</u>	12
<u>Diversity of Board Skills and Experience</u>	12
<u>Compensation of Directors</u>	13
<u>Director Compensation Table</u>	15
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	15
<u>Stock Ownership of Certain Beneficial Owners and Management</u>	15
<u>EXECUTIVE COMPENSATION</u>	18
<u>Compensation Discussion and Analysis</u>	18
<u>2009 Summary Compensation Table</u>	25
<u>2009 Grants of Plan-Based Awards</u>	26
<u>Employment and Severance Agreements</u>	27
<u>2009 Outstanding Equity Awards at Fiscal Year-End</u>	35
<u>2009 Option Exercises and Stock Vested</u>	36
<u>2009 Nonqualified Deferred Compensation</u>	36
<u>Potential Payments upon Termination or Change of Control</u>	38
<u>Compensation Committee Report</u>	41
<u>Compensation Committee Interlocks and Insider Participation</u>	41
<u>Certain Relationships and Related Transactions</u>	41
<u>PROPOSAL 2 APPROVAL OF AMENDMENT AND RESTATEMENT OF THE COMPANY S 2004 OMNIBUS STOCK PLAN</u>	42
<u>Background of the Changes</u>	42
<u>Changes in the Amended and Restated Plan</u>	44
<u>Reasons for the Changes</u>	44
<u>Description of the Amended and Restated Plan</u>	46
<u>2010 Plan Benefits</u>	50
<u>PROPOSAL 3 RATIFICATION OF APPOINTMENT OF AUDITOR</u>	51
<u>Audit and Non-Audit Fees</u>	51
<u>Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditor</u>	52
<u>Report of the Audit Committee</u>	52
<u>SUBMISSION OF STOCKHOLDER PROPOSALS</u>	53
<u>OTHER MATTERS</u>	54

**Table of Contents**

**PROXY STATEMENT**

**for**

**ANNUAL MEETING OF STOCKHOLDERS**

This Proxy Statement is furnished in connection with the solicitation of proxies to be voted at the 2010 Annual Meeting of Stockholders of Huron Consulting Group Inc. (the Company, Huron, we or us ). The 2010 Annual Meeting of Stockholders (the Annual Meeting ) will be held Monday, May 3, 2010 at 1:00 p.m., Eastern Daylight Savings Time, at the Company s offices located at Six Concourse Parkway, Suite 2050, Atlanta, Georgia 30328. This Proxy Statement and the accompanying proxy card are first being mailed to stockholders on or about March 24, 2010.

**GENERAL INFORMATION ABOUT THE MEETING**

**Quorum and Voting Requirements**

The Company has one class of common stock. Each share of common stock is entitled to one vote on each matter to be voted upon at the Annual Meeting. Stockholders do not have the right to cumulate votes in the election of directors. Only stockholders of record at the close of business on March 8, 2010 (the Record Date ) will be entitled to vote at the Annual Meeting. As of the Record Date, there were 22,006,040 shares of common stock issued and outstanding.

The accompanying proxy is solicited from the holders of record of the common stock on behalf of the board of directors of the Company and is revocable at any time by giving written notice of revocation to the Secretary of the Company prior to the Annual Meeting or by executing and delivering a later-dated proxy by mail prior to the Annual Meeting. Furthermore, the stockholders who are present at the Annual Meeting may revoke their proxies and vote in person.

If your shares are held in a bank or brokerage account, you will receive proxy materials from your bank or broker, which will include a voting instruction form. If you would like to revoke a proxy given to your bank or broker, you must follow their instructions. If you would like to attend the Annual Meeting and vote these shares in person, you must obtain a proxy from your bank or broker. You must request the proxy from your bank or broker; they will not automatically supply one to you.

All shares of the Company s common stock represented by properly executed and unrevoked proxies will be voted by the proxies in accordance with the directions given therein. Where no instructions are indicated, properly executed proxies will be voted FOR the proposals set forth in this Proxy Statement for consideration at the Annual Meeting. The directors expect shares of common stock held by executive officers and directors of the Company will be voted FOR such proposals.

A quorum consisting of at least one-third of shares of common stock issued and outstanding must be present at the meeting for any business to be conducted. Shares of common stock entitled to vote and represented by properly executed, returned and unrevoked proxies, including shares with respect to which votes are withheld, abstentions are cast or there are broker non-votes, will be considered present at the meeting for purposes of determining a quorum.

**Table of Contents**

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

**Board of Directors**

The Company's third amended and restated certificate of incorporation divides the Company's board of directors into three classes, with each class being elected to a three-year term.

The board of directors has nominated James D. Edwards, John McCartney and James H. Roth as Class III Directors to be voted upon at the 2010 Annual Meeting. H. Eugene Lockhart and George E. Massaro are Class I Directors serving terms ending at the 2011 Annual Meeting. DuBose Ausley and John S. Moody are Class II Directors serving terms ending at the 2012 Annual Meeting.

This Proxy Statement relates only to the solicitation of proxies from the stockholders with respect to the election of the three nominees as Class III Directors and the other matters described herein. The board of directors knows of no reason that Mr. Edwards, Mr. McCartney or Mr. Roth might be unavailable to serve as the Class III Directors, and each has expressed an intention to serve, if elected. If any of Mr. Edwards, Mr. McCartney or Mr. Roth is unable to serve, the shares represented by all valid proxies will be voted **FOR** the election of such substitute nominee as the board of directors may recommend. There are no arrangements or understandings between any of the persons nominated to be a Class III Director and any other person pursuant to which any of such nominees was selected.

The election of a director requires the affirmative vote of a plurality of the shares of common stock present in person or represented by proxy at the Annual Meeting that are voted, provided that a quorum is represented at the meeting. Shares of common stock held by stockholders electing to abstain from voting and broker non-votes will be counted toward the presence of a quorum but will not be considered present and voting. Therefore, abstentions and broker non-votes will have no impact on the election of directors. Properly executed proxies submitted pursuant to this solicitation will be voted **FOR** the election of Mr. Edwards, Mr. McCartney and Mr. Roth as Class III Directors, unless specified otherwise.

**THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE ELECTION OF MR. EDWARDS, MR. MCCARTNEY AND MR. ROTH AS CLASS III DIRECTORS.**

**Table of Contents**

The tables below set forth certain information regarding the directors of the Company.

**Nominees to Board of Directors**

<b>Name</b>	<b>Age</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Class and Year in Which Term Expires</b>
James D. Edwards	66	Retired Managing Partner Global Markets at Arthur Andersen LLP	2004	Class III 2010
John McCartney	57	Chairman, A.M. Castle Corporation	2004	Class III 2010
James H. Roth	52	Chief Executive Officer of Huron Consulting Group Inc. and Huron Consulting Services LLC, our principal operating subsidiary	2009	Class III 2010

*James D. Edwards* was elected to our board of directors on October 12, 2004. Mr. Edwards retired in 2002 as managing partner global markets of Arthur Andersen LLP, a position he had held since 1998. Mr. Edwards began his career with Arthur Andersen LLP in 1964 and served in several positions after that time. Mr. Edwards is also a director of Cousins Properties Incorporated, a publicly held REIT; Transcend Services, Inc., a provider of medical transcription services to the healthcare industry; and Crawford & Company, a global provider of claims adjustment and risk management solutions. Until February 2010, he had served on the board of IMS Health Incorporated, a global provider of information solutions to the pharmaceutical and healthcare industries. Mr. Edwards received his B.S. in Accounting from Bob Jones University and is a member of the American Institute of Certified Public Accountants.

*John McCartney* was elected Non-executive Chairman of the board on March 9, 2010, effective the date of the Annual Meeting, subject to his re-election to the board at the Annual Meeting. He has served on our board since October 12, 2004. Mr. McCartney has served as chairman of the board of directors of A.M. Castle & Co., a global distributor of specialty metal and plastic products, since January 2007, and has served on that board since 1998. From January 2001 until March 2009, he served as chairman of the board of directors of Westcon Group, Inc., a specialty distributor of networking and communications equipment, on whose board he has served since August 1998. From December 2003 until January 2007, Mr. McCartney served as chairman of the board of First Circle Medical, Inc., a privately held medical therapy company. On May 7, 2009, he was elected to the board of Covance Inc., a biopharmaceutical drug development services company. On July 16, 2007, he was appointed a non-executive director of Datatec Limited, a networking technology and services company. He had previously served as vice chairman of the board of directors of Datatec from October 1998 until May 2004. In July 2005, Mr. McCartney was elected to the board of Federal Signal Corporation, a safety and security products manufacturer. From June 1997 to March 1998, he held the position of president of 3Com Corporation's Client Access Unit. He joined the executive management team of US Robotics in March 1984 as vice president and chief financial officer and served in various executive capacities until serving as president and chief operating officer of US Robotics from January 1996 until its merger with 3Com Corporation in June 1997. Mr. McCartney received his B.A. in Philosophy from Davidson College and his MBA from The Wharton School of the University of Pennsylvania.



**Table of Contents**

*James H. Roth* has served as Chief Executive Officer of Huron Consulting Group Inc. and Huron Consulting Services LLC, our principal operating subsidiary, since July 30, 2009. He was elected to Huron's board of directors on November 3, 2009. Previously, Mr. Roth served as Vice President, Health and Education Consulting for the Company since January 1, 2007. Since Huron's inception in 2002, Mr. Roth has been a managing director and practice leader of the Company's Higher Education Consulting Practice, which he grew into one of our largest organically grown practices. Mr. Roth has been a frequent speaker in national forums on matters relating to higher education and academic medical centers. He has also been instrumental in expanding our educational and healthcare practices into the Middle East and Asia. He received his B.A. in Political Science and Economics from Vanderbilt University and his MBA from Southern Methodist University.

**Directors Not Standing for Election**

<b>Name</b>	<b>Age</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Class and Year in Which Term Expires</b>
H. Eugene Lockhart	60	Partner and Chairman, Financial Institutions, Diamond Castle Holdings LLC	2006	Class I 2011
George E. Massaro	62	Non-executive Chairman of the Board	2004	Class I 2011
DuBose Ausley	72	Attorney, Ausley & McMullen, P.A.	2004	Class II 2012
John S. Moody	61	President, Parkside Capital	2005	Class II 2012

*H. Eugene Lockhart* was elected to Huron's board of directors on December 5, 2006. Since 2005, Mr. Lockhart has served as a partner and chairman, Financial Institutions, Diamond Castle Holdings LLC in New York, a private equity investment firm. Mr. Lockhart is also a director and audit committee chairman of RadioShack Corporation, a retail seller of consumer electronic goods and services, and serves on the board of Asset Acceptance Capital Corp., a purchaser of accounts receivable portfolios from consumer credit originators. Previously, he had served on the board of IMS Health Incorporated, a global provider of information solutions to the pharmaceutical and healthcare industries, until February 2010. Since 2002, Mr. Lockhart has been a venture partner at Oak Investment Partners, a multi-billion dollar venture capital firm. Prior to that, from 2000 to 2002, he served as chairman and chief executive officer of New Power Holdings, a retail provider of energy to homes and small businesses throughout the United States. From 1999 to 2000, Mr. Lockhart was president of Consumer Services for AT&T. His prior positions include president of Global Retail Bank and Bank of America, as well as president and chief executive officer of MasterCard International. Mr. Lockhart received his B.S. in Mechanical Engineering from the University of Virginia and his MBA from The Darden Graduate School of Business at the University of Virginia. In addition, Mr. Lockhart is a CPA, licensed in the Commonwealth of Virginia.

**Table of Contents**

*George E. Massaro* has served since July 30, 2009 as Huron's Non-executive Chairman. With the appointment of Mr. McCartney as Non-executive Chairman, Mr. Massaro will resume the position of Vice Chairman of Huron's board on the date of the Annual Meeting. Mr. Massaro had previously served as Vice Chairman from March 2005 until July 2009, and has served as a director since May 2004. Effective February 16, 2009, Mr. Massaro ceased to be an employee of the Company. He had served as our Chief Operating Officer and as Chief Operating Officer of Huron Consulting Services LLC from June 2003 until March 2005. Mr. Massaro joined Huron Consulting Services LLC in August 2002 as a managing director and subsequently became the leader of our disputes and investigations and valuation services practices. Previously, he served as the managing partner of Arthur Andersen LLP's 1,200-person New England practice from 1998 to 2002 and managing partner of the Boston office from 1995 to 1998. Mr. Massaro has served clients in the financial services and high-technology industries. Mr. Massaro serves as a director of Charles River Laboratories, a provider of research products and preclinical services for the biomedical community, and of Eastern Bank Corporation, an independent mutual bank holding company in New England. He is also a member of the board of trustees of Mount Auburn Hospital in Cambridge. Mr. Massaro received his B.A. in Accounting and Finance from Bentley College and his MBA from Babson College.

*DuBose Ausley* was elected to our board of directors on October 12, 2004. He is an employee of Ausley & McMullen, P.A., a law firm in Tallahassee, Florida, where he was chairman for more than 25 years prior to June 2002. Mr. Ausley is a director of Capital City Bank Group, Inc., a financial services holding company; Tampa Electric Company, a public utility operating in the State of Florida, and its parent, TECO Energy, Inc.; and Capital Health Plan, an affiliate of Blue Cross and Blue Shield of Florida, Inc. on whose board he served from 1982 to 2005. Mr. Ausley served on the board of regents of the State University System of Florida from 1978 to 1994, and served as its chairman in 1981 and 1982. He also served on the board of trustees of Washington and Lee University for 10 years. In addition, he served as chairman of the Capital City Bank Group, Inc. from 1982 to 2003. Mr. Ausley received his B.A. in Economics from Washington and Lee University and his J.D. from the University of Florida College of Law.

*John S. Moody* was elected to our board of directors on November 8, 2005. He is president of Parkside Capital, formerly known as ProTerra Realty, a fund manager investing in real estate in Houston, Texas. He joined the board of directors of Potlatch Corp., a real estate investment trust, in September 2006, and on January 19, 2009 he assumed the role of Vice Chairman of Potlatch Corp. From 2001 to 2005, he served on the boards of directors of three publicly held REITs: Keystone Property Trust, CRIIMI MAE, Inc. and Equity Office Properties Trust. From 2004 until October 2005, Mr. Moody served as president and chief executive officer of HRO Asset Management, LLC, a real estate advisory business. From 2001 to 2004, Mr. Moody served as president of Marsh & McLennan Real Estate Advisors, Inc., a business that directed the execution of real estate projects and transactions for Marsh & McLennan. From 1995 to 2000, Mr. Moody was president and chief executive officer of Cornerstone Properties, Inc., a REIT that acquired, developed and operated large-scale Class A office buildings in major markets throughout the United States and that merged into Equity Office Properties Trust. Mr. Moody received his B.A. in History from Stanford University and his J.D. with honors from The University of Texas School of Law.

**Table of Contents****Executive Officers**

The Company's executive officers are as follows:

<b>Name</b>	<b>Age</b>	<b>Position</b>
James H. Roth	52	Chief Executive Officer and Director
David M. Shade	65	President and Chief Operating Officer
James K. Rojas	41	Vice President, Chief Financial Officer and Treasurer
Mary M. Sawall	54	Vice President, Human Resources
Natalia Delgado	56	Vice President, General Counsel and Corporate Secretary

*James H. Roth's* biographical information is provided above under the caption "Nominees to Board of Directors."

*David M. Shade* was appointed President and Chief Operating Officer of Huron Consulting Group Inc. and Huron Consulting Services LLC on May 6, 2009. Before that date, he had served as Huron's Vice President, Healthcare since May 2007. Prior to joining Huron, Mr. Shade was Principal, Chief Executive Officer and a founder of Wellspring Partners LTD. (Wellspring Partners), now a Huron Consulting Group practice. Previously, Mr. Shade served the healthcare consulting division of Ernst & Young in a variety of partner level roles for more than 21 years, where he moved the practice beyond healthcare finance into healthcare operations and strategy. He subsequently served as chief executive officer and principal investor of a firm specializing in healthcare valuation services. Before starting his professional career, Mr. Shade served as a combat officer with the 101st Airborne Division in the Republic of Vietnam, where he was decorated for valor. Mr. Shade is a Member of the Healthcare Financial Management Association and the American Hospital Association. Mr. Shade received his B.A. in Accounting from Miami University, Ohio, and his MBA from Northwestern University's Kellogg School of Management.

*James K. Rojas* was appointed Vice President and Chief Financial Officer of Huron Consulting Group Inc. and Huron Consulting Services LLC on July 30, 2009, and subsequently appointed Treasurer on November 3, 2009. Before returning to Huron, from 2007 to 2009, Mr. Rojas was the executive vice president and chief financial officer of Stop & Shop and Giant Supermarket Company, a subsidiary of Ahold USA, Inc., a grocery retailer. Prior thereto, he was the executive vice president shared services of Ahold USA, Inc. from January 2007 to June 2007. Previously, from January 2006 to December 2006, he was the executive vice president and chief administration officer of U.S. Foodservice, a broadline foodservice distributor. Prior to that, from March 2005 through December 2005, Mr. Rojas served as Vice President of Corporate Development for Huron, as well as a managing director of Huron Consulting Services LLC from May 2002 through March 2005. Mr. Rojas received his B.B.A., with a concentration in Accounting, from the University of Notre Dame.

*Mary M. Sawall* has served as our Vice President, Human Resources since May 2004; as Vice President, Human Resources of Huron Consulting Services LLC since January 2004; and as managing director and head of Human Resources of Huron Consulting Services LLC since May 2002. Previously, she was executive vice president of human resources at Encore Development, a technology solutions provider, from 2000 to 2002 and at marchFIRST Inc., a global business and technology solutions provider, from 1998 to 2000. She has also served as director of human resources for the Illinois practice of Deloitte & Touche LLP and has held financial and administrative management positions at Booz Allen Hamilton Inc., a global strategy and technology consulting firm, and Cambridge Associates, a provider of investment and financial research and consulting services to nonprofit institutions. Ms. Sawall received her B.A. in the Program of Liberal Studies from the University of Notre Dame, her M.A. in Anthropology from Yale University and her MBA from Cornell University.

*Natalia Delgado* has served as our General Counsel and Corporate Secretary since September 2004. She was appointed Vice President on March 1, 2006. From January 1999 to September 2004, she was a principal at the law firm of Goldberg, Kohn, Bell, Black, Rosenbloom & Moritz, Ltd. Prior to that, Ms. Delgado was a partner at the law firm of Jenner & Block. Ms. Delgado began her legal career at the law firm of LeBoeuf, Lamb,

## **Table of Contents**

Leiby and McRae, a predecessor of Dewey & LeBoeuf LLP. During her career in private practice, Ms. Delgado represented clients in securities and corporate matters, including public offerings, mergers and acquisitions and corporate restructurings. Her practice also involved advising clients regarding compliance with securities laws and corporate governance. Ms. Delgado received her A.B. in Liberal Arts from Oberlin College and her J.D. from the University of Michigan Law School. She is admitted to practice law in the States of Illinois and New York.

### **Director Independence**

Our Corporate Governance Guidelines require that the board of directors make an annual determination regarding the independence of each of our directors. The board of directors has determined that Messrs. Ausley, Edwards, Lockhart, McCartney and Moody are independent as defined in the applicable listing standards of The NASDAQ Stock Market, Inc. (NASDAQ). In making its determination, the board of directors considered the standards of independence set forth in the NASDAQ Corporate Governance Listing Standards and all relevant facts and circumstances to ascertain whether there was any relationship between a director and the Company that, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of the director, or any material relationship with the Company (either directly, or as a partner, stockholder or officer of an organization that has a relationship with the Company).

### **Board Leadership Structure and Risk Oversight**

**Board Leadership.** At the time of the Company's initial public offering, the Chief Executive Officer (the CEO) served as Chairman of the board, and the board did not have a lead director. At the January 2005 meeting of the Nominating and Corporate Governance Committee, the committee revised the Corporate Governance Guidelines to provide for a lead director position, whenever the Chairman is not an independent director, to be rotated by board meeting and, later, the board concluded that the position would rotate by quarter, among all independent directors. The role of the lead director at that time was to provide for an independent outside director to determine, in consultation with the Chairman, the agenda for each board meeting and to chair executive sessions of the board without the Chairman present.

In May 2008, the board of directors, upon the recommendation of the Nominating and Corporate Governance Committee, amended the Corporate Governance Guidelines to make the position of lead director an annual position, and James D. Edwards was elected lead director by the board to serve for one year or until his replacement was designated. The board also expanded the role of the lead director to include, in addition to reviewing the board agendas in advance of each meeting and chairing executive sessions, working closely with the Chairman of the board in carrying out the following:

Determining the appropriate schedule for the board meetings; and

Assessing the quality, quantity and timeliness of information provided from Company management to the board.

On July 31, 2009, the Company announced that it would be restating its financial statements for the years 2006, 2007, 2008 and the first quarter of 2009, and that Gary E. Holdren, the Chairman and Chief Executive Officer, had resigned. Concurrently, the Company created the position of Non-executive Chairman and announced that board member George E. Massaro, who had served as Chief Operating Officer (the COO) of the Company from 2003 to 2005, had assumed that position and agreed to assist management with the challenges presented by the restatement. As of March 9, 2010, the Company has accomplished certain high priority goals (the High Priority Goals) it had set for itself when it announced the restatement, including the following:

Our new management team was assimilated with our critical stakeholders — our people, clients and investors;

We filed the restated financials promptly and timely filed our second quarter 2009 report on Form 10-Q;

**Table of Contents**

We renegotiated our bank facility with revised financial covenants;

We conducted a goodwill impairment analysis and recorded an impairment and timely filed our third quarter 2009 report on Form 10-Q;

We divested certain practices, implemented retention programs for key personnel throughout the Company, and made meaningful cost reductions;

We achieved 2009 financial results consistent with the revised guidance provided at the time of the restatement;

We implemented remediation actions to address failures in internal controls identified in connection with the restatement; and

We filed our 2009 annual report on Form 10-K with a finding that we had no material weaknesses and a conclusion that our internal controls were effective.

In light of the progress made by the Company, Mr. Massaro and the board believed that it was an appropriate time to appoint an independent Non-executive Chairman. Mr. Massaro, therefore, effective at the Annual Meeting, will resume his prior position on the board as Vice Chairman. In that role he will continue to devote his energies to addressing the remaining restatement related matters with the objective of allowing our management team to devote necessary time and attention to our clients, our people and the markets we serve.

On March 9, 2010, the board of directors elected to the position of Non-executive Chairman, effective the date of the Annual Meeting, John McCartney, who had served as an independent director and the chairman of the Audit Committee since the Company's initial public offering, and who led the Audit Committee investigation of the events leading up to the financial restatement. In connection with these changes, Mr. McCartney resigned as chairman of the Audit Committee, but will continue to serve as a member of the Audit Committee. Mr. Lockhart, who has deep experience in supervising complex organizations in a variety of industries, has assumed the chairmanship of the Audit Committee. Mr. Lockhart also currently serves as chairman of the audit committee of RadioShack Corporation. Both Messrs. McCartney and Lockhart qualify as independent and audit committee financial experts under the relevant regulations. As Mr. McCartney qualifies as an independent chairman of the board, under the Company's Corporate Governance Guidelines, he will carry out the responsibilities previously handled by the lead director when his appointment as independent Non-executive Chairman is effective. Mr. McCartney's assumption of the role of Non-executive Chairman is subject to his re-election to the board at the Annual Meeting.

In addition, the board, after extended discussion, has concluded that the positions of the Non-executive Chairman and Chief Executive Officer should remain separate because, in the view of the board, the separation of powers is healthy for an organization. The Nominating and Corporate Governance Committee formally adopted this change at its meeting on March 9, 2010 and directed management to implement it by amending our Corporate Governance Guidelines and presenting the amended guidelines for approval at the May 2010 meeting.

***Risk Oversight.*** The board carries out its risk oversight functions by requiring direct reporting to the Audit Committee:

By the General Counsel of matters raised through the whistleblower hotline and other legal developments;

By Crowe Horwath, Huron's internal auditors, of reports of internal audit; and

By the Chief Compliance Officer of compliance efforts and issues raised in implementing and monitoring our compliance program. In addition, in 2010 we reviewed our material compensation policies and practices and reported to the Compensation Committee that we concluded that these policies and practices do not entail risks reasonably likely



## **Table of Contents**

to have a material adverse effect on the Company. A committee comprised of the Chief Compliance Officer, the Chief Financial Officer (the CFO), the General Counsel, the Vice President, Human Resources and the Director of Compensation reviewed the plan elements, potential risks, and various controls in place with respect to Huron's executive, managing director, employee and business developer compensation plans. We concluded that our compensation programs contain many controls and design features that mitigate excessive risk-taking behavior. These features include:

A balance of fixed and variable compensation;

Achievable, but challenging, goals and objectives;

Variable compensation comprised of cash incentives tied to short-term individual, team and company-wide achievements and equity incentives tied to the long-term growth of the Company;

Payouts modified based upon individual performance;

Share ownership and retention requirements;

Multiple controls, including Compensation Committee oversight and approval of (i) annual Company-wide bonus pools based on the achievement of Company and practice plans, and (ii) all equity grants;

Reference to peer group median in setting base and target pay for executive officers and use of a variety of market data for other employees; and

Use of independent compensation consultants to the Compensation Committee.

Both the Compensation Committee and the Audit Committee report to the board matters that present risks for the organization as a whole, and they are addressed by the board.

## **Board Meetings and Committees**

The board of directors conducts its business through meetings of the full board, actions taken by written consent in lieu of meetings and by the actions of its committees. During 2009, the board of directors held 31 meetings.

During 2009, all directors attended at least 97% of the meetings of the board of directors and committees on which they served. Although the Company does not have a formal policy regarding director attendance at our annual meetings, we encourage directors to attend. All directors attended the 2009 Annual Meeting of Stockholders.

The board of directors operates in part through its three committees: Audit, Compensation, and Nominating and Corporate Governance. All committee members are independent as defined in the applicable listing standards of NASDAQ, non-employee directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 (the 1934 Act) and outside directors within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). Each of the committee charters is available on the Company's web site at [www.huronconsultinggroup.com](http://www.huronconsultinggroup.com).

**Audit Committee.** The Audit Committee responsibilities include overseeing our accounting and financial reporting processes, overseeing the audits of our financial statements and internal control over financial reporting, and retaining and discharging our auditors. The Audit Committee met 18 times in 2009. The members of the Audit Committee are Messrs. Lockhart (Chairman), Ausley and McCartney. The board of directors

## Edgar Filing: Huron Consulting Group Inc. - Form DEF 14A

has determined that each Audit Committee member has sufficient knowledge in financial and auditing matters to serve on the Audit Committee. The board of directors has also determined that each of Messrs. Lockhart and McCartney is an audit committee financial expert, as defined by the applicable securities regulations.

The Report of the Audit Committee for the fiscal year ended December 31, 2009 appears below under the caption  
PROPOSAL 3 RATIFICATION OF APPOINTMENT OF AUDITOR Report of the Audit Committee.



---

**Table of Contents**

**Compensation Committee.** The Compensation Committee responsibilities include overseeing our compensation and benefit plans, including all compensation arrangements for executive officers and directors. The Compensation Committee met nine times in 2009. The members of the Compensation Committee are Messrs. Moody (Chairman), Ausley and Lockhart.

Management assists the Compensation Committee in the performance of its duties. Each year, the CEO reviews the performance and compensation of each of the executive officers and makes recommendations to the Compensation Committee with respect to base pay, annual cash incentives and long-term equity incentives. The Compensation Committee may exercise its discretion in modifying any recommended awards to executive officers. In the first half of 2009, the former CEO participated in all of the Compensation Committee's general meetings, in all of the telephonic meetings and in all of the executive sessions, except for those in which the Compensation Committee considered the CEO's performance, compensation and incentives. The Report of the Compensation Committee on Executive Compensation appears below under the caption EXECUTIVE COMPENSATION Compensation Committee Report.

**Nominating and Corporate Governance Committee.** The Nominating and Corporate Governance Committee responsibilities include identifying and recommending to the board of directors appropriate director nominee candidates and providing oversight with respect to corporate governance matters. The Nominating and Corporate Governance Committee met three times in 2009. The members of the Nominating and Corporate Governance Committee are Messrs. Edwards (Chairman), Ausley and Moody.

Directors may be nominated by the board of directors or by stockholders in accordance with the bylaws of the Company. The Nominating and Corporate Governance Committee will review all candidates for nomination to the board of directors, including those proposed by stockholders as provided below. The Nominating and Corporate Governance Committee reviews the person's judgment, experience, independence, understanding of the Company's business or other related industries, and such other factors as the Nominating and Corporate Governance Committee determines are relevant in light of the needs of the board of directors and the Company. The board of directors believes that its nominees should reflect over time a diversity of experience, gender, race, ethnicity and age. The Nominating and Corporate Governance Committee selects qualified candidates and reviews its recommendations with the board of directors, which will decide whether to invite the candidate to be a nominee for election to the board of directors.

If the Nominating and Corporate Governance Committee receives a nominee recommendation from a stockholder or group of stockholders that has beneficially owned more than 5% of the Company's voting common stock for at least one year as of the date of the recommendation, the name of the candidate, the name(s) of the stockholder(s) who recommended the candidate, and whether the Nominating and Corporate Governance Committee chose to nominate the candidate will be disclosed in the proxy statement, if the consent of both the stockholder and the candidate has been received.

For a stockholder to submit a candidate for consideration by the Nominating and Corporate Governance Committee, a stockholder must notify the Company's Corporate Secretary. In addition, the Company's bylaws permit stockholders to nominate directors at a stockholders' meeting. To make a director nomination at the Annual Meeting, a stockholder must notify the Company's Corporate Secretary within the time periods specified under SUBMISSION OF STOCKHOLDER PROPOSALS below in the Proxy Statement. Notices should be sent to: Corporate Secretary, Huron Consulting Group, 550 West Van Buren Street, 17th Floor, Chicago, Illinois 60607, or [corporatesecretary@huronconsultinggroup.com](mailto:corporatesecretary@huronconsultinggroup.com). In either case, the notice must meet all of the requirements contained in the bylaws.

The notice must set forth:

the name, age, business address and residence address of the proposed nominee;

the principal occupation or employment of the proposed nominee;

**Table of Contents**

the class or series and number of shares of capital stock of the Company that are owned beneficially or of record by the proposed nominee and any Stockholder Associated Person (as defined below);

any other information relating to the proposed nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

any other information the stockholder believes is relevant concerning the proposed nominee;

a written consent of the proposed nominee(s) to being named as a nominee and to serve as a director if elected;

the name and record address of the stockholder who is submitting the notice; and any Stockholder Associated Person, or a nominee holder for a stockholder or any Stockholder Associated Person who owns shares of capital stock of the Company beneficially but not of record, as they appear on the Company stock ledger and current name and address, if different;

the class or series and number of shares of voting stock of the Company that are owned of record or beneficially by the stockholder who is submitting the notice and any Stockholder Associated Person and the date such shares were acquired and the investment intent of such acquisition;

a description of all arrangements or understanding between the stockholder who is submitting the notice and any other person (naming such person) pursuant to which the nomination is being made by the stockholder who is submitting the notice;

if the stockholder who is submitting the notice intends to nominate the proposed nominee at the annual meeting of stockholders, a representation that the stockholder is a holder of record of Company stock entitled to vote at the meeting and intends to appear in person or by proxy at the annual meeting to nominate the proposed nominee named in the notice;

any other information relating to the stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

to the extent known to the stockholder giving notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director on the date of such stockholder's notice; and

as to the stockholder giving notice and any Stockholder Associated Person, whether and to the extent which any hedging or any other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to increase or decrease the voting power of such stockholder or any Stockholder Associated Person with respect to any shares of capital stock of the Company.

A Stockholder Associated Person of any stockholder is any person controlling, directly or indirectly, or acting in concert with, such stockholder; any beneficial owner of shares of capital stock of the Company owned of record or beneficially by such stockholder and any person controlling, controlled by, or under common control with, such Stockholder Associated Person.



## **Table of Contents**

### **Stockholder Communications Policy**

The Company's board of directors has established a process for stockholders to send communications to the board of directors. Stockholders may communicate with any member of the board of directors, including the chairperson of any committee, an entire committee or the independent directors or all directors as a group, by sending written communications to:

Corporate Secretary

Huron Consulting Group Inc.

550 West Van Buren Street

17<sup>th</sup> Floor

Chicago, Illinois 60607

E-mail messages should be sent to *corporatesecretary@huronconsultinggroup.com*.

A stockholder must include his or her name and address in any such written or e-mail communication. The communication must indicate that the sender is a Company stockholder.

Each communication intended for the board of directors and received by the Corporate Secretary that is related to the operation of the Company and is not otherwise commercial in nature will be forwarded to the specified party following its clearance through normal security procedures. If the communication is mailed as personal, it will not be opened, but rather will be forwarded unopened to the intended recipient.

### **Diversity of Board Skills and Experience**

Huron does not have a formal policy on diversity; however, its board believes that board nominees should reflect over time a diversity of experience, gender, race, ethnicity and age. The Nominating and Corporate Governance Committee, in discussing board composition, has focused on diversity of experience in relation to the development of the business. The Nominating and Corporate Governance Committee seeks candidates from regions where Huron offices are located, with prior management experience, experience on public company boards and regulated industries, particularly in higher education and healthcare, as Huron's consulting work for those industries has grown rapidly.

### ***Individual Contributions of Board Members***

**John McCartney**, recently elected Huron's Non-executive Chairman, effective the date of the Annual Meeting, has served as chairman and vice chairman of the boards of several public and private companies, as well as of an institution of higher education. His deep knowledge of accounting and his prior experience as chief financial officer and chief operating officer of a public company have prepared Mr. McCartney, while serving as chairman of the Audit Committee, to successfully guide Huron through the challenges of the past year, and should enable him to lead us through the resolution of the regulatory and legal proceedings facing Huron. Mr. McCartney is based in Chicago, the location of Huron's principal business offices.

**George Massaro**, currently Non-executive Chairman and resuming his role as Vice Chairman effective the date of the Annual Meeting, has been uniquely able to contribute to the board deliberations on a multitude of issues because of his former experience as leader of our disputes and investigations practice and Chief Operating Officer of Huron from 2003 to 2005. Moreover, his 30 plus years of experience in public accounting and management of a professional services practice with Arthur Andersen enables him to provide a broad range of business insights as well as contacts in the business community. Beginning in early 2005 through March of 2006, he devoted his efforts to client matters and led our efforts in the Special Investigation of Fannie Mae. In March 2006, he reduced his role to approximately one-third time and continued to devote his efforts to similar client matters through February 2009. Mr. Massaro's collective experience has served the Huron board well as it managed the challenges of the internal investigation last year, the subsequent financial restatement and the ongoing resolution of the various issues that the financial restatement triggered.

## **Table of Contents**

**James H. Roth**, our CEO, has, as a founding member of Huron, guided and grown Huron's higher education consulting practice from a fledgling service offering to its prominent position today. Mr. Roth brings to the board his deep knowledge of the operations of institutions of higher education, including their healthcare and research facilities and their global expansion goals. Named in 2009 by Consulting Magazine as one of the Top 25 Most Influential Consultants, Mr. Roth brings to the board a deep understanding of the Huron organization and the consulting business, in particular, in the areas of higher education and healthcare, which comprise over 60% of Huron's activities today.

**DuBose Ausley** has served on multiple boards of directors of companies, including telecoms, electric utilities and financial institutions. His experiences serving on the boards of healthcare companies, in particular health plans, as well as institutions of higher education, have allowed him to contribute the client perspective of those two principal areas of Huron's business. As a practicing attorney and former chair of a law firm in the Southeast U.S., he is uniquely sensitive to the legal issues facing public companies, including those kinds of institutions. He also contributes to the board discussions and deliberations his professional legal knowledge as a litigator and his prior experiences as a member of corporate boards dealing with complex issues.

**H. Eugene Lockhart** brings to Huron's board the know-how and experience he has amassed through his work overseeing and growing companies in which he represents venture capital investors, his experience as chief executive officer of leading corporations, and his service on the boards of companies in such diverse fields as financial services, healthcare and pharmaceuticals. Mr. Lockhart's ample experience serving as chairman of the audit committee of public companies, including currently serving as chairman of the audit committee of RadioShack Corporation, make him particularly able to lead the Company's Audit Committee as the Company continues to achieve its post-restatement goals and resolves the regulatory and legal proceedings. In addition, as the former executive and chairman of some of the most recognized companies in the world, Mr. Lockhart contributes to Huron his wealth of contacts, including his many contacts with investors.

**James D. Edwards**'s experience includes 38 years with Arthur Andersen in the professional services industry and 25 years in various leadership positions, including Managing Partner for all operations in the United States and North and South America from 1987 to 1997, which makes him uniquely suited to understand and successfully address the challenges and opportunities presented to Huron. Mr. Edwards' deep knowledge of accounting and financial consulting services, his many years of experience managing a large segment of a professional services firm, as well as his network of prior Arthur Andersen clients in such diverse fields as real estate, pharmaceuticals, healthcare and risk management, provide Huron's board deliberations a wealth of relevant management experience, knowledge of the consulting industry and contacts throughout the business world.

**John S. Moody** has devoted the majority of his career to real estate related businesses. He has served on multiple boards of directors, including holding positions as chairman and vice chairman, of companies organized as real estate investment trusts engaged in commercial real estate, as well as forest products. Mr. Moody has opened doors for Huron's Houston office consultants to his many contacts in Texas. In addition, he is the former chief executive officer of a public company which owned Class A office buildings throughout the U.S. That experience, combined with his professional training as a real estate and corporate attorney, and broad experience in the capital markets, inform the board deliberations and enrich its discussions.

## **Compensation of Directors**

During 2009, we paid each of our non-employee directors an annual cash retainer of \$60,000 and \$1,000 for each meeting of the board of directors or any committee of the board that he attended. At the recommendation of the Compensation Committee, the board of directors determined not to adjust its annual retainer and to eliminate the automatic increases of board compensation in the future. On September 22, 2009, the Compensation Committee approved an additional annual cash retainer of \$300,000 for Mr. Massaro, with retroactive effect to August 1, 2009, upon his being named Non-executive Chairman of the board. Mr. Massaro agreed to lead the

**Table of Contents**

Company following the resignation of the former Chairman of the board and to assist management with the various issues presented by the financial restatement. As discussed above, on March 9, 2010, the board elected Mr. McCartney Non-executive Chairman and Mr. Massaro will resume his role as Vice Chairman, all effective the date of the Annual Meeting. In connection with Mr. Massaro's resuming his prior role as Vice Chairman, the Compensation Committee approved, effective April 1, 2010, an annual supplemental retainer of \$25,000 in addition to the annual board retainer of \$60,000. The Compensation Committee also approved an annual cash retainer, effective the date of the Annual Meeting, of \$175,000, in addition to the annual board retainer of \$60,000, for Mr. McCartney. He will not receive a fee for meetings he attends.

In addition to the annual cash retainer, we also pay an annual fee of \$10,000 to the Chairperson of the Audit Committee and \$7,500 to the Chairpersons of each of the Compensation Committee and Nominating and Corporate Governance Committee, for chairing the committees. All of our directors are reimbursed for out-of-pocket expenses for attending board and committee meetings. In 2005 and 2006, each new non-employee director received a restricted stock award of 15,000 shares. On December 4, 2007, the board of directors, upon the recommendation of the Compensation Committee, established the initial grant of restricted stock to new directors as a number of shares of restricted stock equal to approximately \$400,000, based on the closing stock price on the date immediately preceding the grant date, vesting ratably over the following 12 calendar quarters. Since that date, however, no director has joined the board, and therefore no director has received a restricted stock grant in that amount. In the future, the Compensation Committee expects to make an initial grant of restricted stock to new directors in an amount necessary to attract persons with the skills and experiences it seeks, based on the facts and circumstances of the Company at the time.

In addition, each non-employee director receives an annual grant of restricted stock on the date of the Company's annual meeting. Beginning in 2010, directors are expected to own Huron stock equal to at least three times the annual cash retainer (not including the supplemental retainers paid to the Non-executive Chairman and Vice Chairman). On May 6, 2009, each non-employee director received 3,622 shares, which vest ratably over the following 12 calendar quarters. Each share grant was equivalent to approximately \$170,000, based on the closing stock price on May 5, 2009. At the recommendation of the Compensation Committee, the board of directors determined not to increase the amount of the annual grant of restricted stock and to eliminate automatic increases. Therefore, in 2010, on the date of the Annual Meeting, each non-employee director will be granted a number of shares of restricted stock approximately equal to \$170,000, based on the closing stock price on the date immediately preceding the Annual Meeting. Although eligible to do so, no director has elected to participate in our deferred compensation plan, which is described under the caption EXECUTIVE COMPENSATION 2009 Nonqualified Deferred Compensation .

The Compensation Committee will review board compensation annually and make changes as it deems appropriate.

**Table of Contents****Director Compensation Table**

The following table summarizes the fees paid and the aggregate grant date fair value of shares granted to each of the non-employee directors in 2009. Directors who are also officers or employees of the Company receive no compensation for duties performed as a director.

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards \$(1)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
DuBose Ausley (2)	118,000	170,017		288,017
James D. Edwards (3)	102,500	170,017		272,517
H. Eugene Lockhart (4)	109,000	170,017		279,017
George E. Massaro (5)	204,167	170,017		374,184
John McCartney (6)	122,000	170,017		292,017
John S. Moody (7)	108,500	170,017		278,517

- (1) This column represents the aggregate grant date fair value of shares granted to our directors in 2009. Grant date fair value is based on the closing price of Huron stock on the last trading day prior to the grant date. Each of these grants vests ratably over the 12 calendar quarters following the grant.
- (2) At December 31, 2009, Mr. Ausley held 5,116 shares of restricted common stock and options to purchase 10,000 shares of our common stock. All of the outstanding options held by Mr. Ausley have vested.
- (3) At December 31, 2009, Mr. Edwards held 5,116 shares of restricted common stock and options to purchase 12,903 shares of our common stock. All of the outstanding options held by Mr. Edwards have vested.
- (4) At December 31, 2009, Mr. Lockhart held 5,116 shares of restricted common stock.
- (5) At December 31, 2009, Mr. Massaro held 3,019 shares of restricted common stock.
- (6) At December 31, 2009, Mr. McCartney held 5,116 shares of restricted common stock and options to purchase 12,903 shares of our common stock. All of the outstanding options held by Mr. McCartney have vested.
- (7) At December 31, 2009, Mr. Moody held 5,116 shares of restricted common stock.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Based solely upon our review of forms filed by directors, officers and certain beneficial owners of our common stock (the "Section 16(a) Reporting Persons") pursuant to Section 16 of the 1934 Act, we have not identified any late filings in 2009.

**Stock Ownership of Certain Beneficial Owners and Management**

The following table sets forth, as of the Record Date, certain information regarding the beneficial ownership of our common stock by:

each person known by us to beneficially own 5% or more of our common stock;

each of our named executive officers currently employed by the Company;

each member of our board of directors; and

all directors and executive officers as a group.

Beneficial ownership is determined according to the rules of the Securities and Exchange Commission (the SEC ) and generally means that a person has beneficial ownership of a security if he or she possesses sole or shared voting or investment power of that security and includes options that are currently exercisable or exercisable within 60 days. Each director, officer or 5% or more stockholder, as the case may be, has furnished



**Table of Contents**

us with information with respect to beneficial ownership. Except as otherwise indicated, beneficial owners of common stock listed below, based on the information each of them has given to us, have sole investment and voting power with respect to their shares, except where community property laws may apply.

Name of beneficial owner(1)	Beneficial Ownership	
	Shares	%
Baron Capital Group, Inc. (2)	1,250,000	5.7
T. Rowe Price Associates, Inc. (3)	1,145,750	5.2
BlackRock, Inc. (4)	1,131,512	5.1
Citadel Investment Group II, L.L.C. (5)	1,112,281	5.1
James H. Roth (6)	180,421	*
David M. Shade (7)	102,155	*
Mary M. Sawall (8)	46,685	*
Natalia Delgado (9)	45,299	*
James K. Rojas (10)	40,100	*
John McCartney (11)	34,907	*
James D. Edwards (12)	30,670	*
DuBose Ausley (13)	29,968	*
John S. Moody (14)	19,995	*
H. Eugene Lockhart (15)	16,455	*
George E. Massaro (16)	10,622	*
All directors and executive officers as a group (11 persons) (17)	557,277	2.5

\* indicates less than 1% ownership.

- (1) The principal address for each of the stockholders, other than Baron Capital Group, Inc., T. Rowe Price Associates, Inc., BlackRock, Inc., and Citadel Investment Group II, L.L.C., listed below, is c/o Huron Consulting Group Inc., 550 West Van Buren Street, Chicago, Illinois 60607.
- (2) The principal address of Baron Capital Group, Inc. is 767 Fifth Avenue, 49th Floor, New York, New York 10153. Each of BAMCO, Inc. and Baron Small Cap Fund, subsidiaries of Baron Capital Group, Inc. ( BCG ), owns the shares reflected in the table above. Ronald Baron owns a controlling interest in BCG. Information regarding beneficial ownership of our common stock by Baron Capital Group, Inc. is included herein in reliance on a Schedule 13G filed with the SEC on February 12, 2010.
- (3) The principal address of T. Rowe Price Associates, Inc. is 100 East Pratt Street, Baltimore, Maryland 21202. Information regarding beneficial ownership of our common stock by T. Rowe Price Associates, Inc. is included herein in reliance on a Schedule 13G/A filed with the SEC on February 12, 2010.
- (4) The principal address of BlackRock, Inc. is 40 East 52nd Street, New York, New York 10022. The shares are owned by the following subsidiaries of BlackRock, Inc.: BlackRock Asset Management Japan Limited, BlackRock Institutional Trust Company, N.A., BlackRock Fund Advisors, BlackRock Asset Management Australia Limited, BlackRock Investment Management, LLC and BlackRock International Ltd. Information regarding beneficial ownership of our common stock by BlackRock, Inc. is included herein in reliance on a Schedule 13G filed with the SEC on January 29, 2010.
- (5) The principal address of Citadel Investment Group II, L.L.C. is c/o Citadel Investment Group, L.L.C., 131 South Dearborn Street, 32nd Floor, Chicago, Illinois 60603. The shares reflected in the table above are owned by Citadel Global Equities Master Fund Ltd. ( CG ), Citadel Securities LLC ( Citadel Securities ) and certain segregated accounts. Citadel Advisors LLC is the investment manager for CG

## Edgar Filing: Huron Consulting Group Inc. - Form DEF 14A

*and certain segregated accounts and its managing member is Citadel Holdings II LP ( CH-II ). Citadel Holdings I LP ( CH-I ) is the non-member manager of Citadel Securities. Citadel Investment Group II, L.L.C. ( CIG-II ) is the general partner of CH-I and CH-II. Mr. Kenneth Griffin is the president and chief executive officer of, and owns a controlling interest in, CIG-II. Information regarding beneficial ownership*

**Table of Contents**

*of our common stock by Citadel Investment Group II, L.L.C. is included herein in reliance on a Schedule 13G filed with the SEC on February 12, 2010.*

- (6) Includes 70,471 shares of restricted common stock, as well as 3,855 shares held by a family partnership as to which Mr. Roth disclaims beneficial ownership.*
- (7) Includes 37,500 shares of restricted common stock.*
- (8) Includes 29,832 shares of restricted common stock.*
- (9) Includes 22,838 shares of restricted common stock, as well as 1,792 shares held in trust for Ms. Delgado's daughters as to which she disclaims beneficial ownership.*
- (10) Includes 40,000 shares of restricted common stock.*
- (11) Includes 12,903 shares issuable upon exercise of options that are exercisable currently or within 60 days of the Record Date. Also includes 4,341 shares of restricted common stock, as well as 1,259 shares held by a wholly owned limited liability company of which Mr. McCartney is the sole owner.*
- (12) Includes 12,903 shares issuable upon exercise of options that are exercisable currently or within 60 days of the Record Date. Also includes 4,341 shares of restricted common stock.*
- (13) Includes 10,000 shares issuable upon exercise of options that are exercisable currently or within 60 days of the Record Date. Also includes 4,341 shares of restricted common stock.*
- (14) Includes 4,341 shares of restricted common stock.*
- (15) Includes 4,341 shares of restricted common stock.*
- (16) Includes 2,717 shares of restricted common stock.*
- (17) Includes an aggregate of 35,806 shares issuable upon exercise of options held by members of the group that are exercisable currently or within 60 days of the Record Date. Also includes 225,063 shares of restricted common stock.*

## **Table of Contents**

### **EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

##### ***Overview***

Huron operates in a highly competitive and challenging environment and its compensation packages are designed to attract and retain talented executives who can execute the Company's growth strategy. While the Company provides what it considers competitive base salaries, it also believes that a substantial portion of the compensation of each executive should consist of at-risk pay that takes into account both Generally Accepted Accounting Principles ( GAAP ) and non-GAAP measures, such as:

The Company's growth in revenues before reimbursable expenses ( net revenues );

The Company's profitability, measured by diluted earnings per share;

Earnings before interest, taxes, depreciation and amortization ( EBITDA ); and

Individual performance.

The Company competes against a number of companies for executive talent, including the consulting practices of major accounting firms, small boutique consulting firms and other consulting firms, many of them not public. When initially setting compensation for the executive officers discussed in the 2009 Summary Compensation Table and the other compensation tables for 2009 below, the Compensation Committee relied on publicly available competitive compensation data, along with other factors discussed below. In the second half of 2009, as described below, the Compensation Committee formally adopted a peer group that served as the basis for subsequent compensation decisions.

During the second half of 2009, the Compensation Committee undertook a series of actions to better align executive compensation with the Company's business strategy. These actions represent a significant change in the philosophy and operation of the Company's executive compensation program which are reflected in the decisions made in setting retroactive salaries for certain executives and year-end incentives. For more information on the significant changes in philosophy and practices of the Company's executive compensation program starting in 2010, some of which were applied retroactively in 2009, please see "Changes in 2010 Compensation" below.

##### ***Changes in 2010 Compensation***

Huron faced some significant challenges in 2009. On July 31, 2009, we announced that we were restating our financial statements for the fiscal years 2006, 2007 and 2008 and the first quarter of 2009 to correct our accounting for certain acquisition-related payments. At the same time, we announced that our former Chairman of the board and CEO had resigned and would leave Huron as of August 31, 2009, that our former CFO had stepped down and would leave Huron by the end of the year, and that our former Chief Accounting Officer had stepped down and was leaving Huron. None of the executives were paid severance or additional compensation in connection with termination of their employment. We announced that George E. Massaro had been appointed Non-executive Chairman of the board of directors, that James H. Roth had been appointed CEO and that James K. Rojas had been appointed CFO.

Following the restatement, with the leadership of the new management team, we implemented a number of strategic decisions, including the divestiture of certain non-core consulting units, a reduction in the number of our employees, a reduction of corporate overhead costs and the refocusing of our remaining practice groups. In connection with these changes, the Compensation Committee undertook a review of the philosophy and practices of our executive compensation program with a goal of designing a strong, clear, straight-forward compensation program that:

Is aligned with the interests of long-term stockholders;



**Table of Contents**

Incentivizes executive officers to achieve financial, operational and strategic objectives that promote the creation of long-term stockholder value; and

Provides significant amounts of performance-based equity awards at the executive officer level and time-based equity awards to managing directors below the executive officer level that encourage behavior consistent with the changes in our strategy and operations and that support retention of our managing directors.

In particular, the Compensation Committee:

Revised its executive compensation philosophy to improve transparency in how compensation decisions will be made;

Beginning in 2010, replaced the discretionary annual cash incentive program of the past with a formal annual incentive program (the Annual Incentive Plan ) based on the achievement of specific performance measures that will clearly communicate annual performance expectations to employees and our stockholders;

Beginning in 2010, replaced the annual time-based equity awards for the executive officers with a blend of performance-based restricted stock units and time-based restricted stock, in order to better focus executives on those metrics that will be the most important in driving increased, long-term stockholder value;

Reviewed and entered into new senior management agreements with each of the executive officers with key changes, including severance payable upon termination at levels that are below market and, in the case of the CEO, the elimination of gross up provisions for excise taxes upon a change of control and the reduction of the change of control severance payable;

Adopted a new compensation plan for managing directors that creates a clear link between individual and practice performance expectations and each individual's compensation, and that incorporates equity grants as an integral component of total compensation for all managing directors; and

Below the executive officer level, granted significant equity to high performers, primarily at the managing director level, in the form of a one-time retention grant with a two- to four-year vesting, depending on the size of the grant.

In support of these changes, the committee:

Adopted a peer group similar to Huron in the nature of business, scale of operations and competition for talent. The peer group selected consisted of the following sixteen publicly traded companies: Watson Wyatt, FTI Consulting, Gartner Inc., HIS Inc., First Advantage, Navigant Consulting, CBIZ Inc., Maximus Inc., Resources Connection, Korn/Ferry International, ICF International, Corporate Executive Board, Heidrick & Struggles International, Duff & Phelps Corp., CRA International and LECG Corp.;

Retained Semler Brossy Consulting Group, LLC ( Semler Brossy ) to provide independent executive compensation advice;

Reviewed a competitive pay analysis of all executive positions using the peer group; and

## Edgar Filing: Huron Consulting Group Inc. - Form DEF 14A

Established base salary and annual incentive and long-term incentive target levels for each executive officer, based on Compensation Committee discretion within a 10 percent range of the median of similar positions in the peer group to be competitive with the market. If individual or Company performance, or both, is below target, actual total compensation received for the year will fall short of the median of the peer group; however, if performance exceeds target, actual pay can exceed the median of the peer group.

## **Table of Contents**

With our new compensation philosophy and practices, equity is an increasingly critical tool we will use to align the interests of our executives and key employees to those of our stockholders and to retain our most productive employees. For this reason we are seeking approval from our stockholders to increase the number of shares of common stock that can be issued under our 2004 Omnibus Stock Plan (the Omnibus Plan ) and make a number of other changes to that plan. See PROPOSAL 2 APPROVAL OF AMENDMENT AND RESTATEMENT OF THE COMPANY S 2004 OMNIBUS STOCK PLAN below for more information.

### ***Management Participation in Setting Executive Compensation***

Until his resignation at the end of July 2009, the former CEO participated in all of the Compensation Committee s general meetings, in all of the telephonic meetings and in all of the executive sessions of the Compensation Committee, except for those in which the Compensation Committee considered his performance, compensation and incentives. In connection with these meetings, early in 2009, the former CEO made recommendations to the Compensation Committee regarding each element of compensation for each of the executive officers who reported to him, taking into account the Company s overall performance, each individual s scope of responsibility, compensation data available about competitors of the Company, individual performance, and the former CEO s assessment, based on his business judgment and experience, of the individual s current and future potential contribution, as well as the individual s contribution relative to the other executive officers. The Compensation Committee reviewed and approved or revised these recommendations based on its independent evaluation of those same factors and including a review of wealth accumulation and internal pay equity prepared by the Vice President, Human Resources. The Company s Human Resources and Legal departments supported the CEO s and Compensation Committee s work by providing publicly available data and analysis.

Huron did not have a formula in early 2009 for determining any specific element of the compensation package or for allocating between cash and non-cash components or the short-term and long-term components of compensation. Rather, decisions were made by our Compensation Committee, based, in part, on the recommendations of the former CEO.

In the second half of 2009, Semler Brossy assisted the Vice President, Human Resources in developing executive compensation recommendations for 2010 to present to the Compensation Committee. Also, in the second half of 2009, the Non-executive Chairman and the current CEO participated in meetings of the Compensation Committee, generally to the same extent as our former CEO, and provided to the Compensation Committee their assessment of the individual performance of the executive officers in connection with the Compensation Committee s final determinations on annual bonuses for 2009 and executive compensation in 2010. None of the executive officers played a role in determining compensation for the former or current CEO.

### ***Huron Compensation Program Elements***

Compensation in 2009 for the Company s executive officers had three components: base salary, annual cash incentive and long-term equity incentive. Consistent with the Company s pay-for-performance philosophy, a significant portion of each executive s total compensation is at risk if either the established performance goals are not met or the executive does not remain employed by the Company.

**Base Salary.** Base salaries are considered as part of the annual performance review process at the beginning of each year. In making base salary decisions for the executive officers in early 2009, other than the former CEO, the Compensation Committee primarily considered the former CEO s assessment of the scope of each executive s responsibilities, contribution and performance, as well as the base salary of each executive officer at the time (other than the former CEO) relative to the others. The former CEO s base salary was established by contract on January 29, 2007 when he entered into a five-year contract with the Company that specified his base salary for each year of the contract.



## Table of Contents

In 2009, the Compensation Committee determined to make no changes to the base salaries of the executive officers, and the former CEO declined to take the base salary increase he was entitled to by his senior management agreement. In making this decision, the Compensation Committee considered the recommendations of management and the general economic climate.

The current COO's compensation was set by contract on January 2, 2007 when he entered into a three-year senior management agreement in connection with the acquisition of Wellspring Partners. By the terms of that agreement his base salary was set at \$750,000 annually and he was not eligible for an annual bonus. When he was appointed to the position of COO on May 6, 2009, no adjustment was made to his compensation. In 2010 the COO entered into an amended and restated senior management agreement with the Company that established his total compensation at approximately the median of the peer group established by the Compensation Committee with the advice of Semler Brossy. His base salary was negotiated to remain at \$750,000 annually, which is higher than the median of the peer group. His target annual incentive was therefore negotiated at \$150,000 or 20% of base salary, which is lower than the median of the peer group.

The 2009 base salaries of the current CEO and the current CFO, which are included in the 2009 Summary Compensation Table, were established by the former CEO before they were promoted to their current positions. The CEO and CFO were paid base salaries in 2009 at these pre-existing levels, which have since been retroactively adjusted. In making the decisions as to their new base salaries and to be competitive with the market, the Compensation Committee set each at approximately the median of the peer group established by the Compensation Committee with the advice of Semler Brossy.

**Annual Cash Incentive.** The annual cash incentive for executive officers is designed to reward Company financial performance and individual contribution. The Company does not have a separate incentive pool for executives. Rather, there is a single incentive pool for the entire Company. The incentive pool is funded based on achievement of financial plans and other factors described below. Once the pool for incentives is established after the end of the year, the Compensation Committee makes decisions to allocate the pool to the individual executives as described below.

At the beginning of 2009, the Compensation Committee established a target bonus pool for 2009 annual cash incentives for all employees, including executive officers. Target incentives were set to create a significant variable opportunity for each executive, thereby encouraging strong performance. For 2009, the actual amount earned by an executive could be more or less than the target, based upon the performance of the Company and the executive, as determined in the discretion of the Compensation Committee, following the end of the year.

The target incentive for the former CEO was set by his contract at 100% of base salary. Other than the CEO, the Compensation Committee set 2009 target amounts at the beginning of the year for all other executive officers at 100% of base salary to equally incentivize them. As explained above, when the current COO was named on May 6, 2009, no change was made to his contractual compensation arrangements and he was not eligible for an annual incentive in 2009. The target incentive of the current CEO was initially set based on the position he held at the start of 2009, and the current CFO's target incentive was initially set when he was hired in June of 2009. The target incentives for the current CEO and the CFO were changed from 67% to 110% and 100% to 80% of base salary, respectively, as part of the adjustments made to their total compensation package by the committee with retroactive effect to July 30, 2009.

The Compensation Committee establishes individual goals annually for the CEO, no later than 90 days following the end of the prior year. The 2009 goals for the former CEO's annual cash incentive consisted of the following:

A subjective analysis of Company financial performance relative to its financial plan and other factors;

Retention of top performing managing directors;

Successful completion and integration of accretive acquisitions;

**Table of Contents**

Adequately addressing underperforming individuals or areas of the Company's business; and

Increases in sales to significant clients.

These goals were substantially revised following the restatement as described below.

In August 2009, the Compensation Committee set the 2009 goals for the current CEO as follows:

Stabilize the Company in the aftermath of the uncertainty created by the restatement;

Retain key managing directors;

Generate a significant bonus pool for employees; and

Deliver financial results to stockholders consistent with revised guidance provided at the time of the restatement.

Annual incentives for calendar year 2009 performance were not based on pre-established metrics of Company performance. Instead, the Compensation Committee examined a variety of performance factors to determine appropriate payouts, including the CEO goals enumerated above and accomplishment of the High Priority Goals described under the caption PROPOSAL 1 ELECTION OF DIRECTORS Board Leadership Structure and Risk Oversight. In evaluating the executive officers, the Compensation Committee gave extra weight to the performance of the Company in the second half of 2009, when it was critical for the new executive team to stabilize the Company and reassure employees and stockholders after the announcement of the restatement. In addition, in sizing the annual incentives, the Compensation Committee was strongly influenced by the annual incentive levels (as a percentage of target) being paid to the practice groups in aggregate, which are based on revenue and EBITDA performance, and which on average were approximately 75% of target. The Compensation Committee approved incentive payouts of 75% of target, which it viewed as appropriate, given the challenges the new management team faced as a result of the restatement, and the successful accomplishment of its goals as a team. The committee gave less weight to individual performance and focused on the accomplishments of the group, because the effectiveness of the executive team working together was critical for the Company's performance in the second half of 2009.

**Long-Term Equity Incentive.** The long-term equity incentive for executive officers is designed to focus management on increasing stockholder value and to provide a vehicle to share the benefits of the Company's growth with those who create it. Many of Huron's competitors are partnerships, and Huron believes its ability to offer a publicly traded equity interest in the Company creates a competitive advantage when recruiting executives and managing directors, as well as a retention incentive to those who are currently with the Company.

Restricted stock is granted annually to executive officers, practice leaders and managing directors in the practices who are expected to contribute to the Company's successful execution of its long-term goals and objectives.

**2009 Equity Awards for Executive Officers.** In determining long-term equity incentive awards made early in 2009, the Compensation Committee reviewed and considered a number of factors:

The total equity pool recommended by the former CEO;

The former CEO's recommendation of amounts to grant to each of the executive officers;

The Company's performance in 2008;

The performance of each individual in the prior year and each individual's anticipated future contributions to the business; and

Internal pay equity and each executive's prior and outstanding grants, with an objective of providing wealth accumulation consistent with the performance of the Company.

**Table of Contents**

The Compensation Committee did not assign a weighting to any of the specific factors considered but used its discretion in determining individual grants for each executive officer.

**2010 Equity Awards for Executive Officers.** On January 11, 2010, the Compensation Committee approved equity awards under the Omnibus Plan with respect to each of the current named executive officers as follows:

<b>Executive Officer</b>	<b>Time-Based Award \$(1)</b>	<b>Performance-Based Award \$(2)</b>	<b>Total Award Value \$(3)</b>
James H. Roth	800,000	1,600,000	2,400,000
James K. Rojas		1,000,000	1,000,000
David M. Shade		1,100,000	1,100,000
Mary M. Sawall	250,000	500,000	750,000
Natalia Delgado	250,000	500,000	750,000

- (1) Time-based restricted stock awards vest in four equal annual installments beginning on the first anniversary of the date of grant.
- (2) Performance-based restricted stock units will be earned based on the achievement of specific financial goals described below. If performance-based restricted stock units are earned, one-third will vest on December 31, 2010 and the remaining two-thirds will vest on December 31, 2012.
- (3) The market price of the Company's common stock used for determining the number of shares subject to the time-based vesting awards was the closing price on January 10, 2010, the day prior to the Compensation Committee action, and for the performance-based awards was the closing price on February 17, 2010, the day preceding the date that the performance measures were established by the Compensation Committee.

After reviewing competitive data provided by Semler Brossy, the Compensation Committee approved the award amounts set forth above, which were generally equal to two times the median equity grant made to individuals holding equivalent positions at the Company's peer group. The 2010 equity awards were approved by the Compensation Committee to recognize the success of the executive team in addressing the challenges of 2009 and the considerable effort they expended, and to begin to migrate to performance-based long-term incentives. In addition, the committee sized the grants to be consistent with the significant retention program grants made in late 2009 to key managing directors, in which the executive officers did not participate. Consistent with the Compensation Committee's intent to establish a performance-based long-term incentive plan for executive officers, in general, one-third of equity grants vest over time, and two-thirds vest upon the achievement of certain performance goals and the passage of time, as described below. Because sizeable time-vested restricted grants were made in 2009 to Mr. Rojas when he rejoined the Company and to Mr. Shade on January 1, 2009 to incentivize him with regard to integration of the healthcare practices that we had acquired, the Compensation Committee did not make additional time-vested grants to them and, therefore, 100% of the equity grants to Messrs. Rojas and Shade made in January 2010 were performance-based.

The Compensation Committee established two performance metric targets that will determine if the performance-based grants are earned: 2010 EBITDA percentage adjusted for restructuring and restatement costs and the year-end total debt to EBITDA ratio. The Compensation Committee has established a threshold and maximum for each performance metric. The actual performance shares earned will be calculated pro rata based on actual results if performance exceeds or falls below the target. The adjusted EBITDA percentage was selected because the level of EBITDA percentage, for a professional services firm like Huron, reflects on the quality of management and the target was set at a level the Compensation Committee believes is challenging but achievable. The total debt to EBITDA ratio was chosen because of the identified need to strengthen our balance sheet and it is a key metric in the Company's bank covenants. The target total debt to EBITDA level of 1.6 requires improvement from 2009 but is also achievable in the view of the Compensation Committee. The Compensation Committee set a one-year performance period, consistent with their view of 2010 as a transitional

**Table of Contents**

year, to encourage the executives to focus on implementing their business strategy and corporate reforms in the wake of the restatement. The number of shares earned can vary from 0% to 125% of target based on the actual results that the Company achieves. The following table shows the 2010 performance targets:

	25%	100%	125%
Total Debt/EBITDA	2.5	1.6	1.3
Adjusted EBITDA Percentage	16.00%	18.00%	19.00%

**Other Compensation**

Generally, perquisites are not a significant component of compensation for Huron executives. The Company provides to all of its managing directors and executive officers enhanced disability and life insurance benefits and reimbursement of all or a portion of the cost of an executive physical examination. In addition, the Company makes available to its managing directors and executive officers a Nonqualified Deferred Compensation Plan (the "DCP"). More information on the perquisites provided is described in Footnote 5 to the 2009 Summary Compensation Table, and more information on the DCP is set forth under the caption "2009 Nonqualified Deferred Compensation".

**Senior Management Agreement of the Chief Executive Officer**

The compensation of the former CEO was governed by the terms of the amended and restated senior management agreement entered into on January 29, 2007 and subsequently amended on December 12, 2008 to make changes necessary to comply with Section 409A of the Code.

The compensation of the current CEO was established when he was the Company's Vice President, Health and Education Consulting and was not changed during 2009. In early 2010, the current CEO entered into an amended and restated senior management agreement and at that time his compensation was adjusted retroactive to July 30, 2009. The current CEO's amended and restated senior management agreement is described in detail under the caption "Employment and Severance Agreements".

**Senior Management Agreements of Executive Officers Other Than the Chief Executive Officer**

On December 30, 2008, Ms. Delgado entered into a senior management agreement with the Company. On February 9, 2009, Messrs. Burge and Broadhurst and Ms. Sawall entered into amended and restated senior management agreements, which incorporated their previous respective senior management agreements and the most recent amendments to those agreements into one document. No substantive amendments were made to the terms of those agreements. On March 2, 2010, Messrs. Shade and Rojas and Mmes. Delgado and Sawall entered into amended and restated senior management agreements primarily to make severance terms, other than the amounts, consistent for the executive officers. The term of each agreement is one year. These amended and restated senior management agreements currently in effect are described in detail under the caption "Employment and Severance Agreements" below.

**Stock Ownership Guidelines**

In 2010, the Compensation Committee adopted stock ownership guidelines for executive officers and directors. Under the new guidelines, the CEO will be expected to own stock equal to three times salary, the CFO and COO will be expected to own stock equal to two times their salary, and all other executive officers will be expected to own stock equal to one times their respective salaries. Until this stock ownership target is achieved, executive officers will be required to retain 60% of the net after tax proceeds from the exercise of stock options or vesting of restricted stock.

**Table of Contents****Regulatory Limitations**

Section 162(m) of the Code generally limits the deductibility for federal income tax purposes of compensation in excess of \$1 million to the CEO or any of the next three most highly paid executive officers of a publicly held corporation (other than the CFO). Compensation exceeding \$1 million may be deducted for federal income tax purposes if compensation is paid pursuant to a performance-based, nondiscretionary plan that is approved by stockholders. The Compensation Committee will exercise its discretion in determining whether to conform compensation plans payable to the executive officers to the deductibility requirements of Section 162(m). We expect that the future cash-based and performance-based equity incentives will be eligible for deduction pursuant to Section 162(m) of the Code if the proposal to amend and restate the Omnibus Plan is approved by the Company's stockholders at the upcoming Annual Meeting. For more information on this proposal, including a more detailed discussion on the eligibility of payments for deduction under our incentive plans, see PROPOSAL 2 APPROVAL OF AMENDMENT AND RESTATEMENT OF THE COMPANY'S 2004 OMNIBUS STOCK PLAN below.

**2009 Summary Compensation Table**

The following table summarizes the compensation earned by the CEO, the CFO and each of the next three most highly compensated executive officers (the named executive officers) in 2007, 2008 and 2009.

Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Non Equity Incentive Plan Compensation (\$)	Change in	All Other Compensation (\$)(5)	Total Compensation (\$)(4)
							Pension Value and Nonqualified Deferred Compensation Earnings (\$)(4)		
James H. Roth	2009	770,833	493,750	1,000,021				42,368	2,306,972
Principal Executive Officer (6)									
James K. Rojas	2009	241,667	652,500	2,010,400				730	2,905,297
Vice President, Principal Financial Officer and Treasurer (7)									
David M. Shade	2009	750,000		2,855,000				25,490	3,630,490
President and Principal Operating Officer (8)									
Mary M. Sawall	2009	325,000	243,750	425,014				16,470	1,010,234
	2008	325,000		664,200				15,570	1,004,770
Vice President, Human Resources	2007	325,000		757,050				15,270	1,097,320
Natalia Delgado	2009	325,000	243,750	299,988				29,302	898,040
	2008	325,000		332,100				27,377	684,477
Vice President, General Counsel and Corporate Secretary	2007	325,000		504,700				15,828	845,528
<b>Former Executive Officers</b>									
Gary E. Holdren	2009	766,667		1,550,014				21,410	2,338,091
	2008	1,150,000		4,317,300				46,151	5,513,451
Former Chairman and Principal Executive Officer (9)	2007	1,100,000		14,989,590			18,466	33,064	16,141,120
Gary L. Burge	2009	400,000		575,008			32,755	17,436	1,025,199
	2008	400,000		797,040				26,945	1,223,985
Former Vice President, Principal Financial Officer and Treasurer (10)	2007	400,000		1,261,750				16,241	1,677,991
Daniel P. Broadhurst	2009	600,000	100,000	750,016				16,524	1,466,540

Edgar Filing: Huron Consulting Group Inc. - Form DEF 14A

Former Principal Operating Officer and Assistant Secretary (11)	2008	600,000	1,660,500	15,622	2,276,122
	2007	600,000	1,261,750	15,322	1,877,072

**Table of Contents**

- (1) This column includes compensation voluntarily contributed to the DCP. Huron instituted the DCP on July 1, 2006. Mr. Holdren elected to defer \$163,125 and \$172,188 of his annual salary to the DCP in 2007 and 2008, respectively. Mr. Burge elected to defer \$39,688, \$40,000 and \$40,000 of his annual salary in 2007, 2008 and 2009, respectively.
- (2) This column represents the aggregate grant date fair value of shares granted in each of the respective years, based on the date of the action of the Compensation Committee or, in the case of Mr. Rojas's grant, based on his date of hire. For further details on these amounts, please refer to the table under the caption "2009 Grants of Plan-Based Awards" below.
- (3) Huron has not granted stock options to its executive officers since 2004.
- (4) Change in pension value and nonqualified deferred compensation earnings includes earnings on contributions to the DCP. This plan allows employees to self direct investments, which are credited to their accounts daily. In addition, in 2009, Mr. Holdren experienced losses in the value of his 100,000 restricted stock units for which he had deferred settlement due to the lower stock price at year-end. His contributions and earnings in his DCP account and his losses on the restricted stock units are described under the caption "2009 Nonqualified Deferred Compensation" below. In 2008, Messrs. Holdren and Burge realized losses of \$162,897 and \$60,094, respectively, on their investments in the DCP. In 2007, Mr. Burge realized a loss of \$3,290. Huron does not offer a pension plan to any employee.
- (5) All Other Compensation for 2009 includes a 401k match that is generally available to all employees and premiums for executive life insurance that is provided to all managing directors and executive officers. In addition, in 2008 and 2009 All Other Compensation includes the premium for life insurance purchased for Mr. Holdren pursuant to his senior management agreement, prorated in 2009 based on his termination date of August 31, 2009. Messrs. Holdren, Burge and Broadhurst and Mmes. Sawall and Delgado each received 401k matching contributions of \$14,700, \$13,800 and \$13,500 in 2009, 2008 and 2007, respectively. Messrs. Roth and Shade each received 401k matching contributions of \$14,700 in 2009. In 2009, Mr. Roth received perquisites, including \$18,520 in legal fees in connection with the negotiation of his amended and restated senior management agreement, and executive long-term disability insurance. In 2009, Ms. Delgado received perquisites including the cost of long-term disability insurance and an executive physical examination. In 2008, Messrs. Holdren and Burge and Ms. Delgado received perquisites including the cost of executive long-term disability insurance and an executive physical examination. In addition, the Company paid personal legal expenses for Mr. Holdren in connection with negotiating his amended and restated senior management agreement dated December 12, 2008.
- (6) Mr. Roth became CEO on July 30, 2009. Prior to that date, he served as Vice President of Huron's Health and Education Consulting practice. Mr. Roth's salary was \$750,000 annually from January 1, 2009 through July 29, 2009. On January 11, 2010, his salary was increased to \$800,000, retroactive to July 30, 2009, to reflect his new responsibilities.
- (7) Mr. Rojas was re-hired on June 15, 2009 as a managing director. He was appointed CFO on July 30, 2009. Effective June 15, 2009, his annual salary was \$400,000 and on January 11, 2010 it was increased to \$460,000, retroactive to July 30, 2009, to reflect his new responsibilities. Mr. Rojas's bonus amount consists of a sign-on bonus of \$500,000 and an annual incentive award of \$152,500.
- (8) Mr. Shade was appointed President and COO on May 6, 2009; prior to that he was the Vice President of Huron's Healthcare Practice.
- (9) Mr. Holdren ceased being Huron's CEO on July 27, 2009 and resigned as an employee effective August 31, 2009. All of his unvested shares were forfeited on August 31, 2009.
- (10) Mr. Burge ceased operating as the CFO on July 29, 2009, and his employment was terminated on December 31, 2009. All of his unvested shares were forfeited on December 31, 2009.
- (11)



## Edgar Filing: Huron Consulting Group Inc. - Form DEF 14A

Mr. Broadhurst was Huron's COO and Assistant Secretary until January 27, 2009, when he resigned his position in order to assume the role of Vice President of our Accounting and Financial Consulting and Corporate Consulting segments.

### 2009 Grants of Plan-Based Awards

The following table summarizes the grants of equity plan awards during 2009 to each named executive officer. No non-equity incentive plan awards were made.

Name	Grant Date	Date of Board or Compensation Committee Action	All Other Stock Awards: No. of Shares of Stock or Units	Full Grant Date Fair Value of Each Award \$(1)
James H. Roth	03/01/2009	02/12/2009	21,268	1,000,021
James K. Rojas	07/01/2009	05/05/2009	40,000	2,010,400
David M. Shade	01/01/2009	12/31/2008	50,000	2,855,000
Mary M. Sawall	03/01/2009	02/12/2009	9,039	425,014
Natalia Delgado	03/01/2009	02/12/2009	6,380	299,988
Gary E. Holdren	03/01/2009	02/12/2009	32,965	1,550,014
Gary L. Burge	03/01/2009	02/12/2009	12,229	575,008
Daniel P. Broadhurst	03/01/2009	02/12/2009	15,951	750,016

- (1) The full grant date fair value of each award is based on the closing price of Huron common stock on the last trading day prior to the Compensation Committee action, except for the grant to Mr. Rojas, which is based on the closing price of Huron common stock on June 12, 2009, the last trading day before his first day of employment on June 15, 2009. The share prices were \$57.10 on 12/30/2008, \$47.02 on 2/11/2009 and \$50.26 on 6/14/2009. All grants are subject to a four-year, straight-line vesting schedule, with 25% vesting annually.

## **Table of Contents**

### **Employment and Severance Agreements**

The Company currently has employment agreements with each of its named executive officers.

#### ***Roth senior management agreement***

On January 12, 2010, the Company entered into an Amended and Restated Senior Management Agreement, effective as of July 30, 2009 (the Roth Agreement), with James H. Roth, CEO of the Company. As described in more detail below, the Roth Agreement reflects certain changes commensurate with Mr. Roth's appointment as CEO of the Company and appointment to the board of directors of the Company and, among other changes, (i) provides that Mr. Roth may be terminated upon written notice by the Company, (ii) increases Mr. Roth's base salary and annual target bonus, (iii) establishes a special equity grant for Mr. Roth in 2010 and renders him eligible for a long-term incentive award in 2011, (iv) expands the circumstances under which benefits are payable to Mr. Roth in the event of certain terminations or resignations, including upon a change of control, and increases the amount of certain benefits, and (v) enhances certain covenants and representations and warranties of Mr. Roth under the Roth Agreement, including the addition of a non-competition provision. The Roth Agreement supersedes and replaces the senior management agreement previously entered into by the Company and Mr. Roth. Set forth below is a brief description of the material terms of the Roth Agreement.

**Term of Agreement.** The Roth Agreement covers a term beginning on July 30, 2009, and continuing for three years from that date. Following the expiration of that initial three-year term, the Roth Agreement will be automatically renewed every 12 months, unless Mr. Roth or the Company provides 60 days notice to the other that such automatic renewal shall cease. The Roth Agreement may be earlier terminated by Mr. Roth or the Company pursuant to its terms.

**Base Salary.** The Roth Agreement provides for an annual base salary of \$800,000.

**Annual Target Bonus.** Each calendar year Mr. Roth will be eligible for an annual target bonus in an amount determined by the Compensation Committee based on performance and the Company's compensation policies, which target bonus will not be less than 110% of Mr. Roth's base salary. The actual amount of such annual bonus to be paid to Mr. Roth will be based on performance (the targets for which will be established within the first 90 days of the year to which such target bonus relates).

**Long-term Incentives.** In 2011, Mr. Roth will be eligible for a long-term incentive award with an aggregate value of not less than 130% and up to 150% of his base salary at the sole discretion of the Compensation Committee. Such award may be cash- or equity-based and may be subject to both time- and performance-based criteria, all at the discretion of the Compensation Committee.

**Equity Awards.** Mr. Roth will generally be eligible to participate in the Company's equity plans, with the amount and terms of any equity awards being in the sole discretion of the Compensation Committee and based on performance and the Company's compensation policies. Subject to the terms and conditions established by the Compensation Committee, Mr. Roth received a special equity grant with a total aggregate value of \$2,400,000, as described under the caption "Compensation Discussion and Analysis" above.

**Other Benefits.** Mr. Roth will be eligible to participate in the Company's various health and welfare benefit plans for its similarly-situated management employees.

**Post-Termination Payments.** If Mr. Roth's employment is terminated by the Company without Cause (as defined in the Roth Agreement), or he resigns for Good Reason (as defined in the Roth Agreement), Mr. Roth will be entitled to: (i) severance pay in an amount equal to the sum of his annual base salary and then-prevailing target bonus ( "Severance Pay"), (ii) continuation of medical, dental, and vision benefits for 12 months upon the

**Table of Contents**

same terms as exist from time to time for active similarly-situated executives of the Company, (iii) a cash payment equal to the annual bonus he would have earned for the year of termination or resignation based on performance, prorated based upon the number of days employed in the year of termination or resignation, and (iv) pro rata vesting of any outstanding equity awards granted to Mr. Roth prior to 2010. The receipt of such benefits is conditioned upon Mr. Roth's compliance with the covenants, representations and warranties contained in the Roth Agreement, as well as the execution and acceptance of the terms and conditions of a general release in the standard form used by the Company.

***Change of Control.*** If (i) Mr. Roth's employment is terminated by the Company without Cause or if he resigns for a CoC Good Reason (as defined in the Roth Agreement) within two years following a Change of Control (as defined in the Roth Agreement) or (ii) Mr. Roth reasonably demonstrates that his termination by the Company (or an event which, had it occurred after a Change of Control, would have constituted a CoC Good Reason) prior to a Change of Control was attributable to, or intended to facilitate, a Change of Control or was at the request of a third party acting to effect a Change of Control, and a Change of Control actually occurs within 12 months of such termination or resignation (each of (i) and (ii), a *Qualifying Termination*), then Mr. Roth will be entitled to: (a) cash equal to his target bonus for the year of termination or resignation, prorated based on the number of days employed in the year of termination or resignation, (b) cash equal to two times the sum of his annual base salary and target bonus for the year of termination or resignation, and (c) continuation of medical, dental and vision benefits for two years following the date of such termination or resignation upon the same terms as exist for him immediately prior to the termination or resignation date. In addition, in the case of a *Qualifying Termination* that occurs prior to a Change of Control, Mr. Roth will be provided with a cash payment equal to the difference between (i) the amount of the premium paid by him for continuation of medical benefits under COBRA between the *Qualifying Termination* and the date of the Change of Control and (ii) the amount of the premium that Mr. Roth would have paid for medical coverage during such period had his coverage been continued during such period upon the same terms as existed for him immediately prior to the termination or resignation date. All of Mr. Roth's outstanding equity grants that were awarded at or prior to the time of the Change of Control will fully vest upon the occurrence of a *Qualifying Termination*. The receipt of the benefits described in this paragraph is conditioned on Mr. Roth's compliance with covenants, warranties and representations in the Roth Agreement and his execution and acceptance of the terms of a general release of the Company. The payments in clauses (a) and (b) of this paragraph shall be in lieu of any Severance Pay and any other plan or agreement providing for severance payments or benefits. Further, Mr. Roth will not be entitled to payments and benefits under both the Change of Control provisions of the Roth Agreement and the provisions of the Roth Agreement governing compensation after termination unrelated to a Change of Control.

The Roth Agreement further provides that, if any amount, right or benefit paid or payable to Mr. Roth under the Roth Agreement or any other plan, program or arrangement would constitute an *excess parachute payment* under Section 280G of the Code, subject to the excise tax imposed by Section 4999 of the Code, then the amount of payments payable to Mr. Roth under the Roth Agreement will be reduced to the extent necessary so that no portion of such payments is subject to such excise tax.

***Rojas senior management agreement***

On March 2, 2010, the Company entered into an Amended and Restated Senior Management Agreement, effective as of October 1, 2009, with James K. Rojas, CFO of the Company (the *Rojas Agreement*). As described in more detail below, the *Rojas Agreement* reflects certain changes commensurate with Mr. Rojas's appointment as CFO of the Company and, among other changes, (i) provides for pro rata vesting of outstanding equity awards granted prior to 2010 upon his termination without Cause (as defined in the *Rojas Agreement*) or resignation for Good Reason (as defined in the *Rojas Agreement* and summarized below) and (ii) increases the amount that Mr. Rojas is entitled to be paid upon his termination without Cause following a Change of Control (as defined in the *Rojas Agreement*) or resignation for CoC Good Reason (as defined in the *Rojas Agreement* and summarized below). The *Rojas Agreement* supersedes and replaces the senior management agreement previously entered into by the Company and Mr. Rojas. Set forth below is a brief description of the material terms of the *Rojas Agreement*.

## **Table of Contents**

**Term of Agreement.** The Rojas Agreement covers a term beginning on October 1, 2009, and continuing for one year from that date. Following the expiration of that initial one-year term, the Rojas Agreement will be automatically renewed every 12 months, unless Mr. Rojas or the Company provides 60 days notice to the other that such automatic renewal shall cease. The Rojas Agreement may be earlier terminated by Mr. Rojas or the Company pursuant to its terms.

**Base Salary.** The Rojas Agreement entitles Mr. Rojas to an annual base salary. The amount of such base salary is not specified in the Rojas Agreement. The CEO of the Company will review Mr. Rojas' s compensation annually, based on Mr. Rojas' s performance and the Company' s other compensation policies. Mr. Rojas' s base salary may not be reduced without his consent unless such reduction is part of a comparable overall reduction for members of senior management of the Company.

**Annual Bonus.** Each calendar year Mr. Rojas will be eligible for an annual bonus in an amount determined by the Compensation Committee based on the Company' s and Mr. Rojas' s performance and the Company' s compensation policies.

**Equity Awards.** Mr. Rojas will generally be eligible to participate in the Company' s equity plans, with the amount and terms of any equity awards being in the sole discretion of the Compensation Committee based on the Company' s and Mr. Rojas' s performance and the Company' s compensation policies.

**Other Benefits.** Mr. Rojas will be eligible to participate in the Company' s various health and welfare benefit plans for its similarly-situated key management employees.

**Post-Termination Payments.** If Mr. Rojas' s employment is terminated by the Company without Cause or he resigns for Good Reason, in either case, Mr. Rojas will be entitled to: (i) severance pay in an amount equal to six months base salary ( *Severance Pay* ), (ii) pro rata vesting of any outstanding equity awards granted to Mr. Rojas prior to 2010 and (iii) continuation of medical benefits for six months upon the same terms as exist from time to time for active similarly-situated executives of the Company. The receipt of such benefits is conditioned upon Mr. Rojas' s compliance with the covenants, representations, warranties and agreements contained in the Rojas Agreement, as well as the execution and acceptance of the terms and conditions of a general release in the standard form used by the Company.

*Good Reason* is defined in the Rojas Agreement to mean a resignation, not in connection with a Change of Control, following a change in Mr. Rojas' s primary location of employment to a location that is more than 75 miles from Chicago, Illinois.

**Change of Control.** If (i) Mr. Rojas' s employment is terminated by the Company without Cause or if he resigns for a CoC Good Reason, in either case, within two years following a Change of Control or (ii) Mr. Rojas reasonably demonstrates that his termination by the Company (or an event which, had it occurred after a Change of Control, would have constituted a CoC Good Reason) prior to a Change of Control was attributable to, or intended to facilitate, a Change of Control or was at the request of a third party acting to effect a Change of Control, and a Change of Control actually occurs within 12 months of such termination or resignation (each of (i) and (ii), a *Qualifying Termination* ), then Mr. Rojas will be entitled to: (a) cash equal to the target amount of his annual bonus (the *Target Bonus* ) for the year of termination or resignation, prorated based on the number of days employed in the year of termination or resignation, (b) cash equal to two times the sum of his annual base salary and Target Bonus, if any, for the year of termination or resignation and (c) continuation of medical benefits for two years following the date of such termination or resignation upon the same terms as exist for him immediately prior to the termination or resignation date. In addition, in the case of a Qualifying Termination that occurs prior to a Change of Control, Mr. Rojas will be provided with a cash payment equal to the difference between (i) the amount of the premium paid by him for continuation of medical benefits under COBRA between the date of the Qualifying Termination and the date of the Change of Control and (ii) the amount of the premium that Mr. Rojas would have paid for medical coverage during such period had his coverage been continued during

---

**Table of Contents**

such period upon the same terms as existed for him immediately prior to the termination or resignation date. All of Mr. Rojas' outstanding equity grants that were awarded at or prior to the time of the Change of Control will fully vest upon the occurrence of a Qualifying Termination. The receipt of the benefits described in this paragraph is conditioned on Mr. Rojas' compliance with covenants, warranties, representations and agreements in the Rojas Agreement, as well as his execution and acceptance of the terms and conditions of a general release in the standard form used by the Company.

*CoC Good Reason* is defined in the Rojas Agreement to mean certain adverse changes in anticipation of, or within two years following, a Change of Control including: (a) any material breach of the Rojas Agreement by the Company, (b) any material adverse change in Mr. Rojas' status, responsibilities or position with the Company, (c) any material reduction in his base salary or Target Bonus, other than in connection with an across-the-board reduction in base salaries applicable in like proportions to all similarly-situated executives of the Company and any direct or indirect parent of the Company, (d) assignment of duties to Mr. Rojas that are materially inconsistent with his position and the responsibilities described in the Rojas Agreement or (e) requiring Mr. Rojas to be principally based at any location that is greater than 75 miles from Chicago, Illinois.

The Rojas Agreement further provides that if any amount, right or benefit paid or payable to Mr. Rojas under the Rojas Agreement or any other plan, program or arrangement would constitute an excess parachute payment under Section 280G of the Code, subject to the excise tax imposed by Section 4999 of the Code, then the amount of payments payable to Mr. Rojas under the Rojas Agreement will be reduced to the extent necessary so that no portion of such payments is subject to such excise tax.

***Shade senior management agreement***

On March 2, 2010, the Company entered into an Amended and Restated Senior Management Agreement, effective as of January 1, 2010, with David M. Shade, President and COO of the Company (the *Shade Agreement*). As described in more detail below, the Shade Agreement reflects certain changes commensurate with Mr. Shade's appointment as President and COO of the Company and, among other changes, (i) renders Mr. Shade eligible for an annual bonus, (ii) provides for pro rata vesting of equity awards granted prior to 2010, upon his termination without Cause (as defined in the Shade Agreement) or resignation for Good Reason (as defined in the Shade Agreement and summarized below) and (iii) entitles Mr. Shade to receive enhanced payments and benefits upon his termination without Cause following a Change of Control (as defined in the Shade Agreement) or resignation for CoC Good Reason (as defined in the Shade Agreement and summarized below). The Shade Agreement supersedes and replaces the senior management agreement previously entered into by the Company and Mr. Shade. Set forth below is a brief description of the material terms of the Shade Agreement.

***Term of Agreement.*** The Shade Agreement covers a term beginning on January 1, 2010, and continuing for one year from that date. Following the expiration of that initial one-year term, the Shade Agreement will be automatically renewed every 12 months, unless Mr. Shade or the Company provides 60 days notice to the other that such automatic renewal shall cease. The Shade Agreement may be earlier terminated by Mr. Shade or the Company pursuant to its terms.

***Base Salary.*** The Shade Agreement provides for an annual base salary of \$750,000. The CEO of the Company will review Mr. Shade's compensation annually, based on Mr. Shade's performance and the Company's other compensation policies. Mr. Shade's base salary may not be reduced without his consent unless such reduction is part of a comparable overall reduction for members of senior management of the Company or if Mr. Shade is no longer the President and COO.

***Annual Bonus.*** Each calendar year Mr. Shade will be eligible for an annual bonus in an amount determined by the Compensation Committee based on the Company's and Mr. Shade's performance and the Company's compensation policies. During the initial one-year term of the Shade Agreement, which begins on January 1, 2010, Mr. Shade's target annual bonus ( *Target Bonus* ) will be \$150,000.

---

**Table of Contents**

**Equity Awards.** Mr. Shade will generally be eligible to participate in the Company's equity plans, with the amount and terms of any equity awards being in the sole discretion of the Compensation Committee based on the Company's and Mr. Shade's performance and the Company's compensation policies.

**Other Benefits.** Mr. Shade will be eligible to participate in the Company's various health and welfare benefit plans for its similarly-situated key management employees.

**Post-Termination Payments.** If Mr. Shade's employment is terminated by the Company without Cause or he resigns for Good Reason, in either case, Mr. Shade will be entitled to: (i) severance pay in an amount equal to six months base salary (Severance Pay), (ii) pro rata vesting of any outstanding equity awards granted to Mr. Shade prior to 2010 and (iii) continuation of medical benefits for six months upon the same terms as exist from time to time for active similarly-situated executives of the Company. The receipt of such benefits is conditioned upon Mr. Shade's compliance with the covenants, representations, warranties and agreements contained in the Shade Agreement, as well as the execution and acceptance of the terms and conditions of a general release in the standard form used by the Company.

*Good Reason* is defined in the Shade Agreement to mean a resignation, not in connection with a Change of Control, following: (a) a change in Mr. Shade's primary location of employment to a location that is more than 75 miles from Chicago, Illinois, (b) a breach of the Stock Purchase Agreement between Wellspring Partners, its stockholders and Huron Consulting Group Holdings LLC, dated as of December 29, 2006, (c) failure by the Company to comply with the material terms of the Shade Agreement or (d) the material reduction of Mr. Shade's base salary or benefits coverage.

**Change of Control.** If (i) Mr. Shade's employment is terminated by the Company without Cause or if he resigns for a CoC Good Reason, in either case, within two years following a Change of Control or (ii) Mr. Shade reasonably demonstrates that his termination by the Company (or an event which, had it occurred after a Change of Control, would have constituted a CoC Good Reason) prior to a Change of Control was attributable to, or intended to facilitate, a Change of Control or was at the request of a third party acting to effect a Change of Control, and a Change of Control actually occurs within 12 months of such termination or resignation (each of (i) and (ii), a *Qualifying Termination*), then Mr. Shade will be entitled to: (a) cash equal to his Target Bonus, if any, for the year of termination or resignation, prorated based on the number of days employed in the year of termination or resignation, (b) cash equal to two times the sum of his annual base salary and Target Bonus for the year of termination or resignation and (c) continuation of medical benefits for two years following the date of such termination or resignation upon the same terms as exist for him immediately prior to the termination or resignation date. In addition, in the case of a *Qualifying Termination* that occurs prior to a Change of Control, Mr. Shade will be provided with a cash payment equal to the difference between (i) the amount of the premium paid by him for continuation of medical benefits under COBRA between the date of the *Qualifying Termination* and the date of the Change of Control and (ii) the amount of the premium that Mr. Shade would have paid for medical coverage during such period had his coverage been continued during such period upon the same terms as existed for him immediately prior to the termination or resignation date. All of Mr. Shade's outstanding equity grants that were awarded at or prior to the time of the Change of Control will fully vest upon the occurrence of a *Qualifying Termination*. The receipt of the benefits described in this paragraph is conditioned on Mr. Shade's compliance with covenants, warranties, representations and agreements in the Shade Agreement, as well as his execution and acceptance of the terms of a general release in the standard form used by the Company.

*CoC Good Reason* is defined in the Shade Agreement to mean certain adverse changes in anticipation of, or within two years following, a Change of Control including: (a) any material breach of the Shade Agreement by the Company, (b) any material adverse change in Mr. Shade's status, responsibilities or position with the Company, (c) any material reduction in his base salary or Target Bonus, other than in connection with an across-the-board reduction in base salaries applicable in like proportions to all similarly-situated executives of the Company and any direct or indirect parent of the Company, (d) assignment of duties to Mr. Shade that are materially inconsistent with his position and the responsibilities described in the Shade Agreement or (e) requiring Mr. Shade to be principally based at any location that is further than 75 miles from Chicago, Illinois.

## **Table of Contents**

The Shade Agreement further provides that if any amount, right or benefit paid or payable to Mr. Shade under the Shade Agreement or any other plan, program or arrangement would constitute an excess parachute payment under Section 280G of the Code, subject to the excise tax imposed by Section 4999 of the Code, then the amount of payments payable to Mr. Shade under the Shade Agreement will be reduced to the extent necessary so that no portion of such payments is subject to such excise tax.

### ***Sawall senior management agreement***

On March 2, 2010, the Company entered into an Amended and Restated Senior Management Agreement, effective as of January 1, 2010, with Mary M. Sawall, Vice President, Human Resources of the Company (the Sawall Agreement). As described in more detail below, the Sawall Agreement reflects certain changes from Ms. Sawall's previous Senior Management Agreement with the Company, including pro rata vesting of outstanding equity awards granted prior to 2010 upon Ms. Sawall's termination without Cause (as defined in the Sawall Agreement) or resignation for Good Reason (as defined in the Sawall Agreement and summarized below). The Sawall Agreement supersedes and replaces the senior management agreement previously entered into by the Company and Ms. Sawall. Set forth below is a brief description of the material terms of the Sawall Agreement.

**Term of Agreement.** The Sawall Agreement covers a term beginning on January 1, 2010, and continuing for one year from that date. Following the expiration of that initial one-year term, the Sawall Agreement will be automatically renewed every 12 months, unless Ms. Sawall or the Company provides 60 days notice to the other that such automatic renewal shall cease. The Sawall Agreement may be earlier terminated by Ms. Sawall or the Company pursuant to its terms.

**Base Salary.** The Sawall Agreement entitles Ms. Sawall to an annual base salary. The amount of such base salary is not specified in the Sawall Agreement. The CEO of the Company will review Ms. Sawall's compensation annually, based on her performance and the Company's other compensation policies. Ms. Sawall's base salary may not be reduced without her consent unless such reduction is part of a comparable overall reduction for members of senior management of the Company.

**Annual Bonus.** Each calendar year Ms. Sawall will be eligible for an annual bonus in an amount determined by the Compensation Committee based on the Company's and Ms. Sawall's performance and the Company's compensation policies.

**Equity Awards.** Ms. Sawall will generally be eligible to participate in the Company's equity plans, with the amount and terms of any equity awards being in the sole discretion of the Compensation Committee based on the Company's and Ms. Sawall's performance and the Company's compensation policies.

**Other Benefits.** Ms. Sawall will be eligible to participate in the Company's various health and welfare benefit plans for its similarly-situated key management employees.

**Post-Termination Payments.** If Ms. Sawall's employment is terminated by the Company without Cause or she resigns for Good Reason, in either case, Ms. Sawall will be entitled to: (i) severance pay in an amount equal to six months base salary (Severance Pay), (ii) pro rata vesting of any outstanding equity awards granted to Ms. Sawall prior to 2010 and (iii) continuation of medical benefits for six months upon the same terms as exist from time to time for active similarly-situated executives of the Company. The receipt of such benefits is conditioned upon Ms. Sawall's compliance with the covenants, representations, warranties and agreements contained in the Sawall Agreement, as well as the execution and acceptance of the terms and conditions of a general release in the standard form used by the Company.

**Good Reason** is defined in the Sawall Agreement to mean a resignation, not in connection with a Change of Control (as defined in the Sawall Agreement), following a change in Ms. Sawall's primary location of employment to a location that is more than 75 miles from Chicago, Illinois.

**Table of Contents**

***Change of Control.*** If (i) Ms. Sawall's employment is terminated by the Company without Cause or if she resigns for a CoC Good Reason (as defined in the Sawall Agreement and summarized below), in either case, within two years following a Change of Control or (ii) Ms. Sawall reasonably demonstrates that her termination by the Company (or an event which, had it occurred after a Change of Control, would have constituted a CoC Good Reason) prior to a Change of Control was attributable to, or intended to facilitate, a Change of Control or was at the request of a third party acting to effect a Change of Control, and a Change of Control actually occurs within 12 months of such termination or resignation (each of (i) and (ii), a "Qualifying Termination"), then Ms. Sawall will be entitled to: (a) cash equal to the target amount of her annual bonus (the "Target Bonus") for the year of termination or resignation, prorated based on the number of days employed in the year of termination or resignation, (b) cash equal to the sum of her annual base salary and Target Bonus, if any, for the year of termination or resignation and (c) continuation of medical benefits for one year following the date of such termination or resignation upon the same terms as exist for her immediately prior to the termination or resignation date. In addition, in the case of a Qualifying Termination that occurs prior to a Change of Control, Ms. Sawall will be provided with a cash payment equal to the difference between (i) the amount of the premium paid by her for continuation of medical benefits under COBRA between the date of the Qualifying Termination and the date of the Change of Control and (ii) the amount of the premium that Ms. Sawall would have paid for medical coverage during such period had her coverage been continued during such period upon the same terms as existed for her immediately prior to the termination or resignation date. All of Ms. Sawall's outstanding equity grants that were awarded at or prior to the time of the Change of Control will fully vest upon the occurrence of a Qualifying Termination. The receipt of the benefits described in this paragraph is conditioned on Ms. Sawall's compliance with covenants, warranties, representations and agreements in the Sawall Agreement, as well as the execution and acceptance of the terms of a general release in the standard form used by the Company.

*CoC Good Reason* is defined in the Sawall Agreement to mean certain adverse changes in anticipation of, or within two years following, a Change of Control including: (a) any material breach of the Sawall Agreement by the Company, (b) any material adverse change in Ms. Sawall's status, responsibilities or position with the Company, (c) any material reduction in her base salary or Target Bonus, other than in connection with an across-the-board reduction in base salaries applicable in like proportions to all similarly-situated executives of the Company and any direct or indirect parent of the Company, (d) assignment of duties to Ms. Sawall that are materially inconsistent with her position and the responsibilities described in the Sawall Agreement or (e) requiring Ms. Sawall to be principally based at any location that is further than 75 miles from Chicago, Illinois.

The Sawall Agreement further provides that if any amount, right or benefit paid or payable to Ms. Sawall under the Sawall Agreement or any other plan, program or arrangement would constitute an "excess parachute payment" under Section 280G of the Code, subject to the excise tax imposed by Section 4999 of the Code, then the amount of payments payable to Ms. Sawall under the Sawall Agreement will be reduced to the extent necessary so that no portion of such payments is subject to such excise tax.

***Delgado senior management agreement***

On March 2, 2010, the Company entered into an Amended and Restated Senior Management Agreement, effective as of January 1, 2010, with Natalia Delgado, Vice President, General Counsel and Corporate Secretary of the Company (the "Delgado Agreement"). As described in more detail below, the Delgado Agreement reflects certain changes from Ms. Delgado's previous Senior Management Agreement with the Company, including pro rata vesting of outstanding equity awards granted prior to 2010 upon Ms. Delgado's termination without Cause (as defined in the Delgado Agreement) or resignation for Good Reason (as defined in the Delgado Agreement and summarized below). The Delgado Agreement supersedes and replaces the senior management agreement previously entered into by the Company and Ms. Delgado. Set forth below is a brief description of the material terms of the Delgado Agreement.



## **Table of Contents**

**Term of Agreement.** The Delgado Agreement covers a term beginning on January 1, 2010, and continuing for one year from that date. Following the expiration of that initial one-year term, the Delgado Agreement will be automatically renewed every 12 months, unless Ms. Delgado or the Company provides 60 days notice to the other that such automatic renewal shall cease. The Delgado Agreement may be earlier terminated by Ms. Delgado or the Company pursuant to its terms.

**Base Salary.** The Delgado Agreement entitles Ms. Delgado to an annual base salary. The amount of such base salary is not specified in the Delgado Agreement. The CEO of the Company will review Ms. Delgado's compensation annually, based on her performance and the Company's other compensation policies. Ms. Delgado's base salary may not be reduced without her consent unless such reduction is part of a comparable overall reduction for members of senior management of the Company.

**Annual Bonus.** Each calendar year Ms. Delgado will be eligible for an annual bonus in an amount determined by the Compensation Committee based on the Company's and Ms. Delgado's performance and the Company's compensation policies.

**Equity Awards.** Ms. Delgado will generally be eligible to participate in the Company's equity plans, with the amount and terms of any equity awards being in the sole discretion of the Compensation Committee based on the Company's and Ms. Delgado's performance and the Company's compensation policies.

**Other Benefits.** Ms. Delgado will be eligible to participate in the Company's various health and welfare benefit plans for its similarly-situated key management employees.

**Post-Termination Payments.** If Ms. Delgado's employment is terminated by the Company without Cause or she resigns for Good Reason, in either case, Ms. Delgado will be entitled to: (i) severance pay in an amount equal to six months base salary (Severance Pay), (ii) pro rata vesting of any outstanding equity awards granted to Ms. Delgado prior to 2010 and (iii) continuation of medical benefits for six months upon the same terms as exist from time to time for active similarly-situated executives of the Company. The receipt of such benefits is conditioned upon Ms. Delgado's compliance with the covenants, representations, warranties and agreements contained in the Delgado Agreement, as well as the execution and acceptance of the terms and conditions of a general release in the standard form used by the Company.

**Good Reason** is defined in the Delgado Agreement to mean a resignation, not in connection with a Change of Control (as defined in the Delgado Agreement), following a change in Ms. Delgado's primary location of employment to a location that is more than 75 miles from New York, New York.

**Change of Control.** If (i) Ms. Delgado's employment is terminated by the Company without Cause or if she resigns for a CoC Good Reason (as defined in the Delgado Agreement and summarized below), in either case, within two years following a Change of Control or (ii) Ms. Delgado reasonably demonstrates that her termination by the Company (or an event which, had it occurred after a Change of Control, would have constituted a CoC Good Reason) prior to a Change of Control was attributable to, or intended to facilitate, a Change of Control or was at the request of a third party acting to effect a Change of Control, and a Change of Control actually occurs within 12 months of such termination or resignation (each of (i) and (ii), a Qualifying Termination), then Ms. Delgado will be entitled to: (a) cash equal to the target amount of her annual bonus (the Target Bonus) for the year of termination or resignation, prorated based on the number of days employed in the year of termination or resignation, (b) cash equal to the sum of her annual base salary and Target Bonus, if any, for the year of termination or resignation and (c) continuation of medical benefits for one year following the date of such termination or resignation upon the same terms as exist for her immediately prior to the termination or resignation date. In addition, in the case of a Qualifying Termination that occurs prior to a Change of Control, Ms. Delgado will be provided with a cash payment equal to the difference between (i) the amount of the premium paid by her for continuation of medical benefits under COBRA between the date of the Qualifying Termination and the date of the Change of Control and (ii) the amount of the premium that Ms. Delgado would

**Table of Contents**

have paid for medical coverage during such period had her coverage been continued during such period upon the same terms as existed for her immediately prior to the termination or resignation date. All of Ms. Delgado's outstanding equity grants that were awarded at or prior to the time of the Change of Control will fully vest upon the occurrence of a Qualifying Termination. The receipt of the benefits described in this paragraph is conditioned on Ms. Delgado's compliance with covenants, warranties, representations and agreements in the Delgado Agreement, as well as the execution and acceptance of the terms of a general release in the standard form used by the Company.

*CoC Good Reason* is defined in the Delgado Agreement to mean certain adverse changes in anticipation of, or within two years following, a Change of Control including: (a) any material breach of the Delgado Agreement by the Company, (b) any material adverse change in Ms. Delgado's status, responsibilities or position with the Company, (c) any material reduction in her base salary or Target Bonus, other than in connection with an across-the-board reduction in base salaries applicable in like proportions to all similarly-situated executives of the Company and any direct or indirect parent of the Company, (d) assignment of duties to Ms. Delgado that are materially inconsistent with her position and the responsibilities described in the Delgado Agreement or (e) requiring Ms. Delgado to be principally based at any location that is further than 75 miles from New York, New York.

The Delgado Agreement further provides that if any amount, right or benefit paid or payable to Ms. Delgado under the Delgado Agreement or any other plan, program or arrangement would constitute an excess parachute payment under Section 280G of the Code, subject to the excise tax imposed by Section 4999 of the Code, then the amount of payments payable to Ms. Delgado under the Delgado Agreement will be reduced to the extent necessary so that no portion of such payments is subject to such excise tax.

**2009 Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth certain information concerning outstanding stock and option awards as of December 31, 2009 for each named executive officer. Market value is based on the closing price of Huron stock of \$23.04 on December 31, 2009.

Name	Securities Underlying Unexercised Options (#) Exercisable	Option Awards			Stock Awards	
		Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Shares of Stock That Have Not Vested (#)(1)	Market Value of Shares That Have Not Vested (\$)
James H. Roth					52,768	1,215,775
James K. Rojas					40,000	921,600
David M. Shade					50,000	1,152,000
Mary M. Sawall					27,789	640,259
Natalia Delgado					17,630	406,195
Gary L. Burge (2)	19,565		0.023000	3/31/2010		
	2,174		0.575000	3/31/2010		
	6,522		1.955000	3/31/2010		
Daniel P. Broadhurst	16,303		0.023000	8/22/2012	52,201	1,202,711
	4,891		0.575000	5/23/2013		
	2,174		1.955000	3/17/2014		

(1) Generally, restricted stock vests over four years, 25% annually.

(2) Gary Burge's employment terminated on 12/31/2009 and all of his unvested shares were forfeited.

**Table of Contents****2009 Option Exercises and Stock Vested**

The following table sets forth certain information concerning stock option exercises and restricted stock vesting during 2009 for each named executive officer.

Name	Shares Acquired on Exercise (#)	Value Realized on Exercise \$(1)	Shares Acquired on Vesting (#)	Value Realized on Vesting \$(2)
James H. Roth	10,327	137,879	19,275	844,672
James K. Rojas				
David M. Shade				
Mary M. Sawall			12,550	555,269
Natalia Delgado			8,800	395,232
Gary E. Holdren (3)	10,870	427,354	106,575	5,379,926
Gary L. Burge			20,275	900,782
Daniel P. Broadhurst			20,050	867,594

- (1) The value realized on exercise equals the difference between the option exercise price and the fair market value of Huron stock on the date of exercise, multiplied by the number of shares exercised. Fair market value is measured as the closing price of Huron stock on the date of exercise.
- (2) The value realized on vesting equals the market value of Huron stock measured as the closing price of the stock on the vesting date multiplied by the number of shares received on vesting or, if the markets are not open on the date of vesting, the value realized equals the market value of Huron stock measured as the closing price of the stock on the day after the vesting date multiplied by the number of shares received on vesting.
- (3) Shares acquired on vesting for Gary Holdren include 50,000 restricted stock units which vested on January 1, 2009. On January 29, 2007, Mr. Holdren received 250,000 restricted stock units which vest over five years, 20% annually. Under the terms of his Restricted Stock Unit Agreement (the "RSU Agreement"), restricted stock units that had become vested were settled on March 1, 2010, six months after his employment terminated, and unvested restricted stock units were forfeited at the termination of his employment.

**2009 Nonqualified Deferred Compensation**

The following table shows deferred compensation activity for the named executive officers in 2009. The executive contributions in 2009, which are also reflected in the aggregate balance as of December 31, 2009, were included in the 2009 Summary Compensation Table in the executives respective salary and bonus. Aggregate earnings are also included in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the 2009 Summary Compensation Table.

Name	Executive Contributions in 2009 (\$)	Company Contributions in 2009 (\$)	Aggregate Earnings (Loss) in 2009 (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance as of 12/31/2009 (\$)
James H. Roth					
James K. Rojas					
David M. Shade					
Mary M. Sawall					
Natalia Delgado					
Gary E. Holdren			130,002		514,879
	2,880,000(1)		(4,149,500)(1)		2,304,000(1)
Gary L. Burge	40,000		32,755		187,665
Daniel P. Broadhurst					



**Table of Contents**

- (1) Contributions in 2009 represent the value of 50,000 restricted stock units deferred pursuant to the terms of the RSU Agreement as described below. The negative aggregate earnings in 2009 are due to the Company's lower stock price at the end of the year. The aggregate balance as of 12/31/2009 represents the value of 100,000 restricted stock units deferred in 2008 and 2009 based on the closing stock price on 12/31/2009 of \$23.04.
- The Company maintains the DCP, which became effective July 1, 2006. The DCP permits managing directors and executive officers to e