
MANAGEMENT DISCUSSION SECTION

Operator: Good day and welcome to today's Duff & Phelps Second Quarter 2009 Conference Call. This call is been recorded. For opening remarks and introductions I would like to introduce Jacob Silverman, Chief Financial Officer. Please go ahead.

Jacob Silverman, Chief Financial Officer

Good afternoon and welcome to the Duff & Phelps conference call to discuss financial results for the second quarter of 2009. I am Jake Silverman, Chief Financial Officer.

Before we begin I'd like to point out to all of you that this call may include forward looking statements as defined in Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Additionally, these statements involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Therefore, you should not place undue reliance on these forward-looking statements. Please see risk factors in our Form 10-K and in other documentary filed with the SEC for a complete description of the material risks we face. We do not undertake any obligation to publicly update or review any forward-looking statement whether as a result of new information, future developments or otherwise.

And now, I'd like to turn the call over to our CEO, Noah Gottdiener.

Noah Gottdiener, Chief Executive Officer and Chairman

Thanks Jake it is a pleasure for me to speak with you this afternoon and report our financial results for the second quarter of 2009. The quarter demonstrated once again that our strategy to build a balanced portfolio comprised of counter and non-cyclical businesses is paying off. These businesses have helped to meaningfully offset declines in our M&A related businesses which have experienced ongoing pressure due to the dislocation in the broader M&A arena.

I will take you through my perspective on each of these businesses but the bottom line here is that our counter and non-cyclical businesses are well positioned to grow for many years to come. At the same time we've taken advantage of the M&A downturn to make a number of strategic investments in our investment banking practice adding an M&A leader along with seven new managing directors to enhance our position for a broader M&A recovery in the future. We are very excited to have them on board.

Let's discuss the highlights of each of our businesses. Starting with the counter and non-cyclical ones which continue to show real strength in this environment. These businesses represented roughly half of our revenue for the quarter. First, let's discuss our global restructuring business which more than doubled in revenue compared to last year. Our Professionals continue to win business in this very active market. Here in the U.S. we have won a number of significant creditor and company side assignments in recent months. We continue to believe that the restructuring and distressed arena is going to be fertile ground for the next two to three years and we have a strong global franchise in this area.

Next, let's move on to our dispute consulting practice which increased over 50% compared to last year. We have established ourselves as one of the leaders in providing valuation oriented consulting services in high profile litigation and disputes. We have carefully grown our practice and

expanded into related areas such as intellectual property and electronic discovery which are bearing fruit.

Our portfolio valuation and certain related corporate finance consulting services continue to experience growth year-over-year. We are the clear market leader to private equity and hedge funds as their independent valuation provider.

Furthermore, we continue to look at the pension fund market as a potentially fruitful opportunity as pension funds look to apply new fair value accounting rules in 2010. I'll point out that our PV business does have some seasonality, as certain managers elect only to have positions valued on an annual or semi-annual basis. And this contributed to the sequential Q2 decline in this practice. Again, we view this as a seasonal dip and expect this practice to continue its growth year-over-year.

Related to our portfolio valuation business is our financial engineering practice which grew more than 20% over last year. We have assembled a unique team of experts focused on valuation of complex instruments such as CDOs, CDSs, mortgage-backed securities and other derivatives. Our growing roster includes thought-leading professionals from the investment banking and consulting industries, as well as the academic and independent valuation world.

Our team here has continued to work on many of our highest profile engagements, and to collaborate on many of our valuation assignments as firms increasingly look to us for guidance on how to apply the standards of fair value accounting.

In one relevant example, Duff & Phelps financial engineering professionals recently were engaged by the Director General for competition of the European Commission as an expert advisor on valuation issues. We are assisting the Commission in the assessment of the asset released measures submitted by the European Union Member States in the context of state aid procedures. We're also assisting the Commission in the refinement and development of valuation principles and processes and providing training to commission officials on topics of relevance for these areas.

Finally, let me comment on our tax service line. Our property tax advisory practice is the foundation of our tax business. It is generally not connected to the M&A cycle and in fact could have countercyclical characteristics as companies seek to save tax dollars in a declining real estate market.

This is the business that can generate outsized returns in the form of contingency fees as well as a steady stream of recurring compliance and advisory work. We've also been able to add additional specialty practices to round out the overall tax platform. In particular, our business incentives practice which assists clients in tapping into various forms of government support is seeing signs of strength as our professionals begin to work with clients in the energy industry who are able to tap into the economic stimulus funds, available through the U.S. Federal government. In summary the counter and non-cyclical businesses that I just described grew about 29% versus last year on a combined basis, demonstrating the benefit of our balanced portfolio.

Now let's move on to our M&A related businesses. As we all know, the past several quarters have constituted one of the slowest periods for M&A activity in recent memory. This has put downward pressure on M&A related businesses during Q2.

First, our Valuation Advisory practice, which includes FAS 141 purchase price allocations, FAS 142 goodwill impairment, fixed asset and real estate valuations, tax-related valuations and general valuation work. This is the firm's largest business and it has experienced year-over-year declines primarily as a result of the M&A environment. That said, we believe we are maintaining share and that we will rebound in this area as the broader M&A markets recover.

Our Due Diligence and M&A Advisory businesses, both generally focused on the middle market, have also been impacted in the second quarter. In M&A, we recognized only one meaningful success fee in the quarter. As we said in our prior discussions, however, our estimated M&A backlog has grown meaningfully since the beginning of the year, and we think that this could lead to a more robust second half for our M&A Advisory business.

We are seeing significant interest from private equity firms in a number of our sell-side mandate, which could be a leading indicator of positive times ahead. In light of the many investment opportunities we're seeing in this M&A market, we recently announced the expansion of our investment banking practice with the appointment of Michael Cochrane as a leader of the M&A practice reporting to our investment banking leader, Steve Burt, as well as the addition of seven new Managing Directors.

The addition of these MD's, strengthens our investment banking segment with deep industry and transactional capabilities. These new team members along with our existing investment banking team, helps position Duff & Phelps for growth as broader M&A deal activity increases.

Rounding out the M&A related part of the D&P portfolio is our transaction opinions practice. Of note, in Q2 we served two of the 10 initial TARP recipient, helping them value warrants that are associated with their TARP repayment. This speaks to the value of our brand and our credibility in corporate boardrooms and among high profiled constituents.

Our opinion practices are core franchise for Duff & Phelps with high operating leverage in a recovery. When you look at our M&A related businesses in total, they decline about 29% versus last year. With the overlay of 29% growth in our counter and non-cyclical businesses however, this lead to an overall revenue result for Q2 just 7.9% lower than last year. Perhaps more relevant in today's environment, our overall business grew sequentially for Tier 2, and in particular our investment banking segment grew 25% sequentially.

Given the current economic climate, I am pleased with how well position we are for the long-term. After credit markets and the broader economy begin to recover, I can see a period where all of our businesses are performing well concurrently, including the time where M&A and restructuring are simultaneously strong. The primary reason that our counter-cyclical businesses will continue to grow even through an economic recovery, is that the fall out from this recession should continue for many years to come.

With that I'd like Jake to discuss our financial results in a greater detail. Jake?

Jacob Silverman, Chief Financial Officer

Thanks Noah. Today I will discuss both company-wide financial results and then provide additional details on segment-specific performance. In addition to GAAP metrics, I will discuss non-GAAP measures of our financial results, including adjusted EBITDA and adjusted pro forma net income. We believe these non-GAAP measures, when viewed alongside the GAAP figures we have already provided in our earnings release and will disclose in our 10-Q, provide a meaningful means of evaluating our company's performance.

For the quarter, revenues were 90.1 million, compared to 97.8 million in the corresponding prior-year quarter and 89.3 million in the first quarter of 2009. For the first half of 2009, revenues were 179.3 million versus 191 million during the first half of 2008. Adjusted EBITDA for the quarter was 16.8 million or 18.6% of revenues, compared to 18.4 million or 18.8% of revenue in the corresponding prior year quarter.

For the first half of 2009 adjusted EBITDA was 32 million or 17.8% of revenue compared to 37.1 million or 19.5% of revenues for the corresponding prior year period. Included in our results for Q2 is severance expense that represented about \$1.3 million or approximately \$0.02 per share for the quarter. Total severance expense year-to-date is about 2.3 million or about \$0.04 per share. These charges were as a result of a selective head count reductions that took place to address certain areas of over capacity.

Overall SG&A expense for the quarter excluding equity compensation associated with legacy units and IPO options decreased by approximately \$2 million versus last year.

With regards to expenses generally, we continue to be focused on maintaining discipline here in terms of direct cost and SG&A. We are committed to working back towards our previously stated long-term objective of 19 to 20% adjusted EBITDA margins. Although as we said in our last call, this year we could be slightly below the bottom-end of that range.

As I have said in the past there can be quarterly fluctuations in adjusted EBITDA margin and we do not necessarily look at any one quarter as indicative of full year results.

Adjusted pro forma net income per share was \$0.22 for our second quarter compared to \$0.28 in the corresponding prior year period. Year-to-date adjusted pro forma net income per share was \$0.42 for the first six months compared to \$0.55 in the corresponding prior year period.

Let me describe what adjusted EBITDA and adjusted pro forma net income are. Adjusted EBITDA represents earnings before interest which includes loss on early extinguishment of debt, taxes, depreciation and amortization and non-controlling interest as well as the following items other income, acquisition, retention expenses, equity-based compensation associated with the legacy units of Duff & Phelps Acquisitions, LLC and the corrective options made at the time of our IPO.

Adjusted pro forma net income represents adjusted EBITDA less depreciation and amortization, interest income and expense, other income and pro forma assumed corporate income tax. Adjusted pro forma net income per share consists of adjusted pro forma net income divided by the weighted average number of the company's Class A and Class B shares outstanding for the applicable period, giving effect to the dilutive impact, if any, of stock options and restricted stock awards.

I'll point out that for this quarter adjusted pro forma net income exclude the impact of the non-cash loss on the early extinguishment of debt.

I'll now talk briefly about segment performance in our balance sheet. Noah described our overall performance based on how our businesses are categorized versus cyclical versus counter-cyclical characteristics. I am going to talk about performance based on our three reporting segments each of which for by cyclical, non-cyclical and counter-cyclical services.

Let's start with Financial Advisory, which represents approximately 64% of total revenues for the quarter. During the quarter, Financial Advisory revenue decreased 11.5% to 57.9 million, compared to 65.5 million in the corresponding prior year period. For the first half of the year, Financial Advisory revenues decreased to 6.4% to 118.8 million compared to 126.9 million in the corresponding prior year period.

As Noah described earlier, during Q2 revenues from our counter and non-cyclical businesses, such as dispute and to a lesser extent tax, increased over the corresponding prior year quarter, partially offsetting the decrease in revenues from Valuation Advisory, our largest business unit, which has a greater M&A correlation.

For the quarter, Financial Advisory utilization was 62.3%, compared to utilization of 60.1% in the corresponding prior year quarter. Rate per hour decreased to \$328, compared to \$371 in the

corresponding prior year quarter. Revenue per professional was \$88,000 compared to \$98,000 in the corresponding prior year quarter.

Year-to-date Financial Advisory utilization was 64.8%, compared to utilization of 63.5% in the corresponding prior year period. Rate per hour decreased to \$316 compared to \$345 in the corresponding prior year period.

Revenue per professional was \$175,000 compared to \$191,000 in the corresponding prior year period. Rate in Q2 was negatively impacted by the court-mandated billing hold-back on the Lehman assignment, which we described during our Q1 call as well.

Additionally the 2008 results for the prior year period included a rate benefit of low-teens associated with the one-time contingency fee that was recognized in Q2 of 2008 thereby further impacting the year-over-year comparison.

Due to the evolving mix of our businesses to include more value-added contingent fees utilization rate per hour have taken on less relevance towards to the management team. As a result, we will consider the usefulness of these metrics going forward in terms of our public disclosure.

In our Corporate Finance Consulting reporting segment which represents approximately 17% of total revenue for the quarter, we saw overall revenue decrease by 2.8% versus last year. However, for the first half of this year, revenue has increased 6.4% versus the first half 2008.

This practice includes our portfolio evaluation practice, financial engineering and strategic value advisory services which grew at a combined rate of 11%, partially offsetting the decline in our M&A related due diligence business which declined 47%. As it relates to our portfolio evaluation and financial engineering services, we continue to benefit from new and ongoing portfolio evaluation assignments for private equity funds, hedge fund clients and other investment vehicles.

I'd note that our portfolio evaluation business leverages resources from other parts of the firm particularly valuation advisory and financial engineering. Accordingly, the reported revenue for portfolio evaluation is actually lower than the overall value of portfolio evaluation assignments. Inclusive of the amounts executed by other parts of the firm, the total value of the portfolio evaluation product for the quarter was actually about 9.1 million versus 7.4 million in the second quarter of 2008 or just over 20% growth year-over-year.

Now, I'd like to turn to our investment banking segment which represents approximately 19% of revenues for the quarter. In the second quarter, revenues increased 1.4% to 17.2 million, compared to 16.9 million in the corresponding prior year quarter. For the first half of 2009, revenues decreased 14.6% to 30.9 million, compared to 36.2 million in the corresponding prior year period.

Of note, sequentially revenue increased about 25% versus Q1 of 2009, the investment banking segment. Our global restructuring business is showing meaningful growth this quarter versus last year, as Noah described and we continue to see strength in this practice area. We believe, we are still in the early stages of this cycle and expect the pace to continue throughout 2009 and beyond. Noah provided context regarding the overall M&A and restructuring environment. We feel that we have a diverse portfolio of services in this segment that has helped shelter us on a relative basis from the broader volatility in the market.

Our balance sheet continues to be strong. We completed a follow-on stock offering in May and raised over a \$111 million in net proceeds, which we use to repay all of our outstanding debt and redeem a portion of the Class B shares owned by the original members of Duff & Phelps acquisitions.

At June 30, 2009, we had \$58.6 million of cash and are debt free. Since then, we entered into a new \$30 million revolving credit facility to fund future growth. We have drawn none of this to-date. The bottom-line is that we are very well capitalized with ample liquidity and flexibility to invest in the business. With regard to share count, we have a two-class share structure, the Class A share is primarily owned by public investor Shinsei and employee recipient of restricted stock awards.

And Class B shares are owned by the original members of Duff & Phelps acquisitions, the entity which owns our operating business, which are exchangeable into Class A shares. As of today, the total number of Class A shares outstanding is approximately 24 million. The total number of Class B shares outstanding is approximately 16.2 million. Thus, on a fully exchange basis, we have a total of approximately 40.2 million shares outstanding.

In light of the strength of our balance sheet and overall liquidity, as well as our overall outlook on the business, we instituted a quarterly dividend of \$0.05 per share to holders of record of our Class A common stock. The first dividend was paid in June, and I am pleased to announce that our Board of Directors has declared a second quarterly dividend of \$0.05 per share, payable on August 28 to shareholders of record on August 18.

This concludes our prepared remarks. With that I'll turn it over to the operator to open it up for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] We'll take our first question from Tim McHugh with William Blair & Company.

<Q – Timothy McHugh>: Yes, thank you. Given events over the past couple of days, the question kind of has to be asked, can you Jake probably talk about your accounting for and the controls you have around acquisitions, and just give us some – hopefully some reassurances around that? And then as well may be, Noah, the opportunities perhaps created by issues at other companies in the consulting space?

<A – Noah Gottdiener>: Sure. Sure, why don't – this is Noah, Tim. Why don't I address both of those and Jake could add color if needed. But for those of you who may not have seen what Tim is referring to, late last week one of the firms that are considered to be our peer group announced an accounting restatement due to questions about their accounting for acquisitions.

While we here at Duff & Phelps have always been comfortable in our acquisition accounting, as a result of that particular announcement, we along with our auditors undertook a review of our acquisition accounting this past weekend. Based on this review, we have confirmed that we have accurately accounted for and reported our results to you in all material respects. So does that answer your first question?

<Q – Timothy McHugh>: Yes, thank you. And then the second part of opportunities created by this?

<A – Noah Gottdiener>: Yeah, listen, Tim, I don't like to talk about what's happening in any one particular company, but what I will say is that we're very aggressive about pursuing, recruiting opportunities out there, we see some great opportunities. And I think most importantly, our platform is viewed to be an attractive and stable platform. And I think, the word is generally getting out about that so we're getting good reactions from great candidates out there that we want to recruit and we'll continue to pursue those opportunities aggressively.

<Q – Timothy McHugh>: Okay. And then my other line of questioning – two questions would be, you mentioned the M&A pipeline has improved significantly since year-end. Can you comment if it has continue to improve relative to since the last call when you made that comment? And then also, does that pipeline, I think that was just your sell side M&A pipeline, would that extend if we think about Valuation Advisory, can we think of this as a low watermark for that type of business? Is the environment more positive in the second half of the year? Any comment there?

<A – Noah Gottdiener>: I understand where you are going, it's a tough one. I think what we've said last time generally is that although we're seeing some indications that we maybe at a point where the M&A market is recovering. We can't at this point, and I would repeat it as we sit here today as well, say that we've seen a sustained recovery in the M&A market. We clearly with regard to our M&A Advisory business, which is focused on the middle market, yes, we continue to see our backlog increase. We continue to see activity increase there. We haven't seen that same sort of activity yet with regard to larger transactions, which would ultimately have more of an impact on our Valuation Advisory business.

But I believe that there will be an M&A recovery, I can't tell you exactly when, and when it happens our business will respond. And I think I'd finally say that we are investing behind that belief, which is why we made those investments in hiring MDs in our investment banking business. And I think we'll continue to invest in our M&A related businesses generally, because we believe that we're well positioned, and we want to continue to be well positioned for a turnaround in the M&A markets.

<Q – Timothy McHugh>: Okay, thank you.

Operator: Our next question will come from Eric Bertrand with Barclays Capital.

<Q – Eric Bertrand>: Hi guys. The Valuation Advisory business really it's held off sequentially in year-over-year. Are there any one-timers or particularly dynamics to be aware of, any large project that rolled off or something?

<A – Jacob Silverman>: Eric, as we mentioned there was one fairly large fees that we earned in Q2 of last year, so that was north of \$2 million, which was a bit of a sort of, kind of a one-off contingency fees that was earned, which partially addresses the year-over-year comparison.

With respect to the sequential decline, there – a couple of things. Clearly, there is a continued pressure as related to just the overall M&A cycle, which has impacted Q2. I'd also point out that there is as we've described in the past some seasonality in this practice, particularly as it relates to SFAS 142, which is goodwill impairment, which tends to have more concentration in Q1 and sometimes even in Q4.

<Q – Eric Bertrand>: Great. And it looks like the head count and the entire Financial Advisory segment came down both on an average end – period end basis, on which sub-segment of the Financial Advisory segment had the biggest head count reductions? And could you comment on the utilization at least directionally in each of those sub-segments?

<A – Jacob Silverman>: I think with respect to head count reductions in Financial Advisory, not surprisingly it was in areas which were – which are more correlated to the M&A environment. So that would be our Valuation Advisory service line, broadly defined.

<Q – Eric Bertrand>: And would the utilization rate have actually declined in Valuation Advisory despite the head count reduction as well?

<A – Noah Gottdiener>: I'm sorry, just repeat the last part of that, you faded on me.

<Q – Eric Bertrand>: I'm trying to understand the utilization rate inside Valuation Advisory. Certainly it looks like you took the head count down inside of that sub-business. Were you able to keep the – whatever the utilization rate is inside that business, were you able to keep that steady or was that declining as well?

<A – Noah Gottdiener>: We don't report utilization at that level; we believe we've taken the appropriate actions to right-size that business with the current environment. And that's what we would say with regard to that.

<Q – Eric Bertrand>: Okay. My last question would be around, kind of the guidance that you talked about last quarter. You spoke to how you expect the full year revenue growth to be positive in 2009 versus 2008. At this point that would imply about \$200 million worth of second half revenues, which would be up about 10% from the first half. Do you still standing by that or would you back away a little bit?

<A – Noah Gottdiener>: Listen, first off all I'd just clarify that that what we said was predicated on a turnaround in the M&A market, and I'm not prepared to tell you when I believe or when that – when the M&A market in general will turnaround. Our results for the second half, to the extent that we see better results in the second half, that will be a function of how the M&A market – how M&A activity increases. And we leave it at that, except to say that we think we are very well positioned, for a turnaround in the M&A market, and we think that number of our M&A related businesses are very sensitive and will respond to higher M&A activity in the form of higher revenues.

<Q – Eric Bertrand>: Okay. That's fair. Thank you very much.

Operator: [Operator Instructions] We'll hear next from Lauren Smith with KBW.

<Q – Lauren Smith>: Hi. Good afternoon.

<A – Noah Gottdiener>: Hi Lauren.

<Q – Lauren Smith>: Couple of questions, kind of a follow-on related and maybe a little bit maintenance questions, but with respect to your geographical mix when we let look at second half – excuse me, first six months of this year versus last, is there any discernible trends or anything of note there? Or is it still just sort of, on the earlier stages of expansion outside the U.S. and still sort of like 90:10, U.S. versus non-U.S.?

<A – Jacob Silverman>: In terms of geographic concentration, well, we typically file in our Q, we talk about our split between the U.S., Europe and Asia, and generally speaking our non-U.S. revenue that we report for the first half is slightly under 10%.

<Q – Lauren Smith>: Okay. And then could you – apologies that I – I need a refresher, but could you just run through the Lehman fees, how that's impacting the restructuring line?

<A – Noah Gottdiener>: The Lehman fee is not reflected in the restructuring line per se.

<A – Jacob Silverman>: It's – our Lehman – the revenue recorded to-date for Lehman is actually spread across a number of disciplines within the firm, because it's a multidisciplinary assignment. It's principally reflected in our dispute business actually, but we haven't broken out the Lehman revenue specifically across service line.

<Q – Lauren Smith>: Okay, and is that dynamic that it's diversified among the different practices that you were saying that the utilization rate isn't necessarily representative or indicative? Did I miss that in your earlier comment, you referenced Lehman and -

<A – Jacob Silverman>: With regard to -

<Q – Lauren Smith>: Discussion that we all had in 1Q, and I just wanted to revisit that. Am I...?

<A – Jacob Silverman>: Sure, that wasn't related to utilization. That was related to rate per hour.

<Q – Lauren Smith>: Okay.

<A – Jacob Silverman>: And as we described in Q1, because the Lehman assignment is being conducted in the context of the bankruptcy court, the bankruptcy court requires that there'd be a 20% holdback with respect to billings that we as a service provider bill to the estate. And our utilization reflects the rate – the full rate that we are charging on that assignment, but our revenue recognition actually, it doesn't include the 20% holdback that we do expect to receive subject to court approval, some point later on in the case. And the impact of that holdback on our rate per hour was probably in the high single digit to maybe just about \$10 per hour hitting the FA the Financial Advisory rate per hour.

<Q – Lauren Smith>: Okay, got it. Thank you very much it was helpful. And I guess just lastly, going back several weeks ago, and I had read some where that Shinsei and – hopefully I pronounce it correctly, Aozora Bank are merging. Is this in anyway – would that merger in anyway impact Shinsei's ownership position in you guys?

<A – Noah Gottdiener>: No. No, they are merging, it won't effect the merged entities ownership position in us, and they continue to be good partners.

<Q – Lauren Smith>: Great. Thanks very much.

<A – Noah Gottdiener>: Sure.

Operator: Our next question comes from David Gold with Sidoti.

<Q – David Gold>: Hi good afternoon.

<A – Noah Gottdiener>: Hi.

<A – Jacob Silverman>: Hi David.

<Q – David Gold>: Just wanted to go over a little bit if you can, head count plans as we think about the second half of the year presumably – and we think there are areas like restructuring where you'd be looking to add, and obviously we see that you're starting to add on the banking side. But can you comment a little bit more about thoughts there in any particular areas where you might have sufficient demand there, feel the need to build up further?

<A – Gerard Creagh>: Yes. Hi this is Gerry Creagh. We have a number of different areas, we talked about restructuring, we talked about financial engineering, we talked in certain of the tax areas, dispute consulting. There is a number of areas that we've been actively recruiting people, both in terms of senior talent and some junior talent. So it's spread across a number of areas that we're seeing opportunities. And so I wouldn't focus on any one area.

<Q – David Gold>: Okay.

<A – Noah Gottdiener>: Again, I'd repeat that that we are finding that people view us as a very attractive platform, and the discussions that we are having are being well received.

<Q – David Gold>: Okay. So, from where we sit now versus say at the end of the year, would it be safe to assume the head count would be higher than here?

<A – Gerard Creagh>: I'd say that the head count will probably be modestly higher, just modestly, its not – not meaningful to model it.

<Q – David Gold>: Sure, okay. I mean is that to say Gerry, that you are still doing some fine-tuning, so to speak in other words, it's not just adds, there is still some takeaways or cuts?

<A – Gerard Creagh>: Look it, we are performed based culture. We look at – we look at our head count all the time, and in this business you're always as you say doing fine-tuning.

<A – Noah Gottdiener>: And I would just add, that's clearly the case, and I wouldn't plan on our head count going up more than modestly. Having said that, we are going to be opportunistic, we are in a position to exploit opportunities that are out there so that could change.

<Q – David Gold>: Gotcha, perfect. Thank you both.

Operator: Our final question comes from Andrew Fones with UBS.

<Q – Andrew Fones>: Yes, thank you. First on the restructuring business, I was wondering if you could talk a little bit what you have seen at China and, versus in France, perhaps in what has been driving the performance there? Thanks.

<A – Noah Gottdiener>: I think I was – no, I don't know that I can break it out except I would say that we are very pleased with the global restructuring franchise. We are seeing a lot of demand for the services that we provide. We think the market will continue to be right, and we're well positioned to continue the growth that we've experienced up for now. We are very pleased with our platform and we'll continue to invest in this area.

<Q – Andrew Fones>: Okay, thanks, and then on the kind of the dispute side, you've obviously seen some nice traction there. Can you comment at all on why you're seeing drive that? Is there anything in particular you think, point it out?

<A – Gerard Creagh>: Well, we have made significant investments over the last couple of years in intellectual property, electronic discovery, some other valuation skills that relate to disputes, so I think what we're seeing is really – it's really the benefit of all the investments that we've made in the last couple of years. We are much better positioned now.

We have a broader deeper practice than we had a year ago, so that's the reason why we won the Lehman assignment, and that's why we think we are positioned to win a lot larger assignment than we have in the past.

<Q – Andrew Fones>: Okay, thanks. And then just in terms of organic growth, I know I usually touch on this, but can you give me the organic growth for the businesses this quarter please?

<A – Jacob Silverman>: Andrew, organic growth in total – just bear with me here, for the quarter was down low teens organically, okay? That should then – largely as you can tell by our Valuation Advisory business, which is down and our investment banking business frankly was about flat, it didn't have any acquisitions in it. So, that's the Q2 result. But, again that's driven largely by the Financial Advisory piece.

<Q – Andrew Fones>: Got it. Thanks. And then just I guess one kind of follow-up on the topic of interest. Have you seen any kind of increase in terms of the resumes that you have been getting here just very recently?

<A – Gerard Creagh>: Yes. Clearly during the last number of weeks and months, we have seen a pick-up in resumes. Number of people coming to us, and in particular around some of the growth areas that Noah spoke to earlier. So we are actively engaged in discussions with a number of people that we think could be a great addition to the businesses. So, yes we are seeing a pick-up in activity in resumes.

<Q – Andrew Fones>: Okay. Thank you.

Operator: There are no further questions Mr. Gottdiener, I would like to turn the conference back over to you for any closing remarks.

Noah Gottdiener, Chief Executive Officer and Chairman of the Board

Great. There is no further closing remarks. Thank you all very much.

Operator: This does conclude today's conference call. We thank you for your participation.

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