As filed with the Securities and Exchange Commission on December 12, 2000
Registration No. 333-45000

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 7
TO
FORM S-1
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

RESOURCES CONNECTION, INC.
(Exact name of Registrant as specified in its charter)

Delaware	8742	33-0832424
(State or other jurisdiction of Incorporation)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

695 Town Center Drive, Suite 600, Costa Mesa, California 92626
(714) 430-6400
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Donald B. Murray
Chief Executive Officer
Resources Connection, Inc.
695 Town Center Drive, Suite 600, Costa Mesa, California 92626
(714) 430-6400
(Name, address, including zip code, and telephone number, including area code, of agents for service)

Copies To:

David A. Krinsky Charlotte L. Bischel O'Melveny & Myers LLP 610 Newport Center Drive, Suite 1700 Newport Beach, California 92660 (949) 760-9600	Patrick T. Seaver Shayne Kennedy Latham & Watkins 650 Town Center Drive, Suite 2000 Costa Mesa, California 92626-1918 (714) 540-1235

Approximate date of commencement of proposed sale to the public:

As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act") check the following box. [_]
If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]_____
If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]_____
If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]_____
If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [_]

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit(2)	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common Stock ($0.01 par value)	7,475,000	$14.00	$104,650,000	$27,628

(1) Includes shares that the underwriters will have the option to purchase solely to cover over-allotments, if any.
(2) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(o) under the Securities Act.
(3) Previously paid.

Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective

on such date as the Securities and Exchange Commission, acting pursuant to
said Section 8(a), may determine.

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+The information in this prospectus is not complete and may be changed. We may +
+not sell these securities until the registration statement filed with the   +
+Securities and Exchange Commission is effective. This prospectus is not an   +
+offer to sell these securities and it is not soliciting an offer to buy these +
+securities in any state where the offer or sale is not permitted.   +
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SUBJECT TO COMPLETION, DATED DECEMBER 12, 2000

6,500,000 Shares

[LOGO OF RESOURCES CONNECTION]

Common Stock

Prior to this offering, there has been no public market for our common stock. The initial public offering price of our common stock is expected to be between $12.00 and $14.00 per share. We have applied to list our common stock on The Nasdaq Stock Market's National Market under the symbol "RECN".

We are selling 5,000,000 shares of our common stock and the selling stockholders are selling 1,500,000 shares of our common stock. We will not receive any of the proceeds from the shares of common stock sold by the selling stockholders.

The underwriters have an option to purchase a maximum of 975,000 additional shares from the selling stockholders to cover over-allotments of shares.

Investing in our common stock involves risks. See "Risk Factors" on page 6.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Resources Connection	Proceeds to Selling Stockholders
Per Share.....	$	$	$	$
Total.....	$	$	$	$

Delivery of the shares of common stock will be made on or about , 2000.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First Boston | Deutsche Banc Alex. Brown

Robert W. Baird & Co.

The date of this prospectus is , 2000.

[inside front cover]

[small logo]

THE PROFESSIONAL SERVICES FIRM OF THE FUTURE

[map depicting office locations and professional services lines delivered at each office location]

[colored dot] Finance and Accounting
[colored dot] Finance and Accounting & Information Technology
[colored dot] Finance and Accounting & Human Resources Management
[colored dot] Finance and Accounting, Information Technology & Human Resources Management

United States				International
Atlanta	Costa Mesa	Los Angeles	Princeton	Hong Kong
Austin	Dallas	Minneapolis	San Antonio	Taipei
Baltimore	Denver	New York	San Diego	Toronto
Boise	Detroit	Orlando	San Francisco	
Boston	Hartford	Parsippany	Santa Clara	
Charlotte	Honolulu	Philadelphia	Seattle	
Chicago (2)	Houston (2)	Phoenix	Stamford	
Cincinnati	Indianapolis	Pittsburgh	St. Louis	
Cleveland	Las Vegas	Portland	Washington, D.C.	

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Dealer Prospectus Delivery Obligation

Until (25 days after commencement of the offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before buying shares in this offering. You should read the entire prospectus carefully. References in this prospectus to "Resources Connection," "company," "we," "us" and "our" refer to the business of Resources Connection LLC for all periods prior to the sale of Resources Connection LLC by Deloitte & Touche LLP, and to Resources Connection, Inc. and its subsidiaries for all periods after the sale. References to "Deloitte & Touche" refer to Deloitte & Touche LLP. References in this prospectus to "fiscal," "year" or "fiscal year" refer to our fiscal years that consist of the 52- or 53-week period ending on the Saturday closest to May 31st.

Overview

Resources Connection, Inc. is a professional services firm that provides experienced accounting and finance, human resources management and information technology professionals to clients on a project-by-project basis. In accounting and finance, we assist our clients with discrete projects requiring specialized professional expertise, such as mergers and acquisitions due diligence, financial analyses (e.g., product costing and margin analyses) and tax-related projects. In addition, we provide human resources management services, such as compensation program design and implementation, and information technology services, such as transitions of management information systems. We also assist our clients with periodic needs such as budgeting and forecasting, audit preparation and public reporting.

Since our inception in 1996, we have opened 38 offices in the United States and 3 offices internationally. We have a growing and diverse client base of over 1,500 clients ranging in size from large corporations, to mid-sized companies to small entrepreneurial entities, in a broad range of industries. We have grown revenues internally from $9.3 million in fiscal 1997 to $126.3 million in fiscal 2000, a three-year compounded annual growth rate, or CAGR, of 138%. Our income from operations over the same period has increased from $869,000 to $15.6 million, a three-year CAGR of 162%. We have been profitable each year since inception. We operated as an independent subsidiary of Deloitte & Touche from 1996 to April 1999, when we completed a management-led buyout. Prior to the management-led buyout, we were unable to provide certain accounting services to audit clients of Deloitte & Touche due to regulatory constraints applicable to us as part of a Big Five accounting firm.

Our management team, virtually all of whom have Big Five experience, has created a culture that combines the commitment to quality and client-service focus of a Big Five accounting firm with the entrepreneurial energy of an innovative, high-growth company. Because of this culture, we believe we have been able to attract and retain highly-qualified experienced associates, which, in turn, is a significant component of our success. We employ more than 1,050 associates on assignment, who have an average of 18 years of professional experience in a wide range of industries and functional areas; approximately 50% of our associates are CPAs and approximately 28% have MBAs. We offer our associates careers that combine many of the advantages of working for a traditional professional services firm with the flexibility of project-based work. We provide our associates with challenging work assignments, competitive compensation and benefits, and continuing education and training opportunities, while offering flexible work schedules and more control over choosing client engagements.

We believe that we provide our clients with high-quality service and a value proposition because we are able to combine all of the following:

- a relationship-oriented approach to assess our clients' project needs;
- highly-qualified professionals with the requisite skills and experience;
- competitive rates on an hourly, instead of a per project, basis; and
- significant client control over their projects.

Market Opportunity

According to a study by Staffing Industry Analysts, Inc., the market for outsourcing professionals, including information technology, accounting and finance, technical/engineering, medical and legal professionals, is large and growing, with revenues estimated to grow from $40.1 billion in 1999 to $65.6 billion in 2002, representing a CAGR of 17.8%. Accounting and finance professionals, according to the same study, represent one of the fastest growing segments of this market, with revenues estimated to grow from $7.2 billion in 1999 to $14.6 billion in 2002, representing a CAGR of 26.5%.

We believe this growth is driven by the recognition that companies can strategically access specialized skills and expertise and increase labor flexibility by outsourcing their professional services. At the same time, we believe many professionals are embracing project-based careers because of the more flexible hours and work arrangements. Resources Connection is positioned to capitalize on the confluence of these industry trends by providing clients with high-quality, project-based professional assistance and by offering professionals rewarding, flexible careers.

Growth Strategy

We believe we have significant opportunity for continued strong internal growth in our core business. We will also evaluate potential strategic acquisitions on an opportunistic basis. Our objective is to be the leading provider of project-based professional services by:

- capturing more of our clients' total outsourced professional services expenditures;
- adding additional clients in a broad range of industries;
- expanding our presence both in the United States and internationally; and
- providing additional professional services lines to meet our clients' project-based needs.

Our Company

Resources Connection was founded as a division of Deloitte & Touche in June 1996, and from January 1997 until April 1999, operated the company as Resources Connection LLC, a Delaware limited liability company and a wholly-owned subsidiary of Deloitte & Touche. In November 1998, our management formed RC Transaction Corp., a Delaware corporation, to raise capital for an intended management-led buyout of Resources Connection LLC. The management-led buyout was consummated in April 1999 and, since that time, RC Transaction Corp., renamed Resources Connection, Inc. in August 2000, has owned all of the membership units of Resources Connection LLC. Resources Connection is an independent company which is no longer affiliated with Deloitte & Touche. Our business is operated primarily through Resources Connection LLC. Our principal executive offices are located at 695 Town Center Drive, Suite 600, Costa Mesa, California 92626. Our telephone number is (714) 430-6400. Our website is http://www.resourcesconnection.com. We do not intend the information found on our website to be a part of this prospectus.

The Offering

Common stock offered by:	
Resources Connection, Inc.	5,000,000 shares
Selling stockholders	1,500,000 shares
Total	6,500,000 shares
Common stock to be outstanding after the offering	20,630,000 shares
Use of proceeds	Repay debt, provide working capital and fund other general corporate purposes. See "Use of Proceeds."
Nasdaq National Market symbol	RECN

Common stock to be outstanding after this offering is based on 15,630,000 shares of common stock outstanding as of October 31, 2000. It does not include:

- 2,380,000 shares of common stock issuable on the exercise of stock options outstanding as of October 31, 2000; and
- 2,660,000 additional shares of common stock reserved for issuance under the Resources Connection, Inc. 1999 Long-Term Incentive Plan as of October 31, 2000.

Except as otherwise indicated, all of the information in this prospectus:

- reflects the conversion of each outstanding share of Class B Common Stock into 144,740 shares of Common Stock at the closing of this offering;
- assumes no exercise of the underwriters' over-allotment option; and
- assumes an offering price of $13.00 per share.

Summary Consolidated Financial Information

The following table summarizes our consolidated financial data. You should read the summary financial data below in conjunction with our consolidated financial statements and related notes beginning on page F-1 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing on page 19. Resources Connection commenced operations on June 1, 1996. The consolidated statements of income data for the years ended May 31, 1997 and 1998 and for the period from June 1, 1998 to March 31, 1999 were derived from the financial statements of our wholly-owned subsidiary, Resources Connection LLC. After forming Resources Connection, Inc. on November 16, 1998, we completed the acquisition of Resources Connection LLC on April 1, 1999. Resources Connection, Inc. accounted for the purchase of Resources Connection LLC using the purchase method of accounting, in accordance with Accounting Principles Board Opinion No. 16. The selected consolidated financial and operations data as of and for the three months ended August 31, 1999 and 2000 have been derived from our unaudited consolidated financial statements which, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) necessary to present fairly, in accordance with accounting principles generally accepted in the United States, the information for those periods. The historical results presented are not necessarily indicative of future results. The pro forma as adjusted balance sheet data reflect our sale of 5,000,000 shares of common stock in this offering at an assumed initial public offering price of $13.00 per share, after deducting estimated underwriting discounts, commissions and offering expenses.

	Resources Connection LLC			Resources Connection, Inc.			
						Three Months Ended August 31,	
	Year Ended May 31, 1997	Year Ended May 31, 1998	Period from June 1, 1998 to March 31, 1999	Period from November 16, 1998 to May 31, 1999	Year Ended May 31, 2000	1999	2000
	(unaudited)					(unaudited)	
	(dollar amounts in thousands, except per share data)						
Consolidated Statements of Income Data:							
Revenue	$9,331	$29,508	$55,438	$15,384	$126,332	$25,533	$39,155
Direct cost of services	5,367	16,671	31,253	8,618	73,541	14,491	22,749
Gross profit	3,964	12,837	24,185	6,766	52,791	11,042	16,406
Selling, general and administrative expenses	3,086	9,035	17,071	4,274	34,649	6,814	10,720
Amortization of intangible assets	--	--	--	371	2,231	510	578
Depreciation expense	9	79	118	30	284	52	192
Income from operations	869	3,723	6,996	2,091	15,627	3,666	4,916
Interest expense	--	--	--	734	4,717	1,155	1,209
Income before provision for income taxes	869	3,723	6,996	1,357	10,910	2,511	3,707
Provision for income taxes (1)	348	1,489	2,798	565	4,364	1,004	1,483
Net income (1)	$ 521	$ 2,234	$ 4,198	$ 792	$ 6,546	$ 1,507	$ 2,224
Net income per share:							
Basic				$ 0.09	$ 0.42	$ 0.10	$ 0.14
Diluted				$ 0.09	$ 0.42	$ 0.10	$ 0.13
Number of shares used in computing net income per share:							
Basic				8,691	15,630	15,630	15,630
Diluted				8,691	15,714	15,630	16,819

	Resources Connection LLC				Resources Connection, Inc.		
	Year Ended May 31, 1997	Year Ended May 31, 1998	Period from June 1, 1998 to March 31, 1999	Period from November 16, 1998 to May 31, 1999	Year Ended May 31, 2000	Three Months Ended August 31, 1999	2000
	(dollar amounts in thousands, except per share data)						
Other Data:							
Number of offices open at end of period.....	9	18	27	28	35	31	38
Total number of associates on assignment at end of period.....	127	326	675	697	1,056	757	1,065

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(1) As a limited liability company, income taxes on any income realized by Resources Connection LLC were the obligation of its members and, accordingly, no provision for income taxes was recorded by Resources Connection LLC. Pro forma net income has been computed for periods through March 31, 1999, as if Resources Connection LLC had been fully subject to federal and state income taxes as a C corporation.

	August 31, 2000	
	Actual	Pro Forma As Adjusted
	(unaudited)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents.....	$ 5,724	$23,505
Working capital.....	9,723	33,744
Total assets.....	71,973	89,754
Long-term debt, including current portion.....	41,519	--
Stockholders' equity.....	19,473	78,772

You should carefully consider the risks described below before making a decision to buy our common stock. If any of the following risks actually occurs, our business could be harmed. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment. When determining whether to buy our common stock you should also refer to the other information in this prospectus, including our financial statements and the related notes.

Risks Related to Our Business

We must provide our clients with highly qualified and experienced associates, and the loss of a significant number of our associates, or an inability to attract and retain new associates, could adversely affect our business and operating results.

Our business involves the delivery of professional services, and our success depends on our ability to provide our clients with highly qualified and experienced associates who possess the skills and experience necessary to satisfy their needs. Such professionals are in great demand, particularly in certain geographic areas, and are likely to remain a limited resource for the foreseeable future. Our ability to attract and retain associates with the requisite experience and skills depends on several factors including, but not limited to, our ability to:

- provide our associates with full-time employment;
- obtain the type of challenging and high-quality projects which our associates seek;
- pay competitive compensation and provide competitive benefits; and
- provide our associates with flexibility as to hours worked and assignment of client engagements.

We cannot assure you that we will be successful in accomplishing each of these items and, even if we are, that we will be successful in attracting and retaining the number of highly qualified and experienced associates necessary to maintain and grow our business.

The market for professional services is highly competitive, and if we are unable to compete effectively against our competitors our business and operating results could be adversely affected.

We operate in a competitive, fragmented market, and we compete for clients and associates with a variety of organizations that offer similar services. The competition is likely to increase in the future due to the expected growth of the market and the relatively few barriers to entry. Our principal competitors include:

- consulting firms;
- employees loaned by the Big Five accounting firms;
- traditional and Internet-based staffing firms; and
- the in-house resources of our clients.

We cannot assure you that we will be able to compete effectively against existing or future competitors. Many of our competitors have significantly greater financial resources, greater revenues and greater name recognition, which may afford them an advantage in attracting and retaining clients and associates. In addition, our competitors may be able to respond more quickly to changes in companies' needs and developments in the professional services industry.

An economic downturn or change in the use of outsourced professional services associates could adversely affect our business.

We have not been in business during an economic downturn and our business may be significantly affected if there is an economic downturn in the future. If the general level of economic activity slows, our clients may

delay or cancel plans that involve professional services, particularly outsourced professional services. Consequently, the demand for our associates could decline, resulting in a loss of revenues. In addition, the use of professional services associates on a project-by-project basis could decline for non-economic reasons. In the event of a non-economic reduction in the demand for our associates, our financial results could suffer.

Our business depends upon our ability to secure new projects from clients and, therefore, we could be adversely affected if we fail to do so.

We do not have long-term agreements with our clients for the provision of services. The success of our business is dependent on our ability to secure new projects from clients. For example, if we are unable to secure new client projects because of improvements in our competitors' service offerings or because of an economic downturn decreasing the demand for outsourced professional services, our business is likely to be materially adversely affected.

We may be unable to adequately protect our intellectual property rights, including our brand name. If we fail to adequately protect our intellectual property rights, the value of such rights may diminish and our results of operations and financial condition may be adversely affected.

We believe that establishing, maintaining and enhancing the Resources Connection brand name is essential to our business. We have filed an application for a United States trademark registration for "Resources Connection" and an application for service mark registration of our name and logo. We may be unable to secure either registration. We are aware of other companies using the name "Resources Connection" or some variation thereof. There could be potential trade name or trademark infringement claims brought against us by the users of these similar names or trademarks, and those users may have trademark rights that are senior to ours. If an infringement suit were to be brought against us, the cost of defending such a suit could be substantial. If the suit were successful, we could be forced to cease using the service mark "Resources Connection." Even if an infringement claim is not brought against us, it is also possible that our competitors or others will adopt service names similar to ours or that our clients will be confused by another company using a name or trademark similar to ours, thereby impeding our ability to build brand identity. We cannot assure you that our business would not be adversely affected if confusion did occur or if we are required to change our name.

Our clients may be confused by the presence of competitors and other companies which have names similar to our name.

We are aware of other companies using the name "Resources Connection" or some variation thereof. Some of these companies provide outsourced services, or are otherwise engaged in businesses that could be similar to ours. One company has a web address which is nearly identical to ours, "www.resourceconnection.com". The existence of these companies may confuse our clients, thereby impeding our ability to build our brand identity.

We may be legally liable for damages resulting from the performance of projects by our associates or for our clients' mistreatment of our associates.

Many of our engagements with our clients involve projects that are critical to our clients' businesses. If we fail to meet our contractual obligations, we could be subject to legal liability or damage to our reputation, which could adversely affect our business, operating results and financial condition. It is likely, because of the nature of our business, that we will be sued in the future. Claims brought against us could have a serious negative effect on our reputation and on our business, financial condition and results of operations.

Because we are in the business of placing our associates in the workplaces of other companies, we are subject to possible claims by our associates alleging discrimination, sexual harassment, negligence and other similar activities by our clients. The cost of defending such claims, even if groundless, could be substantial and the associated negative publicity could adversely affect our ability to attract and retain associates and clients.

We may not be able to grow our business, manage our growth or sustain our current business.

We have grown rapidly since our inception in 1996 by opening new offices and by increasing the volume of services we provide through existing offices. There can be no assurance that we will continue to be able to maintain or expand our market presence in our current locations or to successfully enter other markets or locations. Our ability to successfully grow our business will depend upon a number of factors, including our ability to:

- grow our client base;
- expand profitably into new cities;
- provide additional professional services lines;
- maintain margins in the face of pricing pressures; and
- manage costs.

Even if we are able to continue our growth, the growth will result in new and increased responsibilities for our management as well as increased demands on our internal systems, procedures and controls, and our administrative, financial, marketing and other resources. These new responsibilities and demands may adversely affect our business, financial condition and results of operation.

An increase in our international activities will expose us to additional operational challenges that we might not otherwise face.

As we increase our international activities, we will have to confront and manage a number of risks and expenses that we would not otherwise face if we conducted our operations solely in the United States. If any of these risks or expenses occur, there could be a material negative effect on our operating results. These risks and expenses include:

- difficulties in staffing and managing foreign offices as a result of, among other things, distance, language and cultural differences;
- expenses associated with customizing our professional services for clients in foreign countries;
- foreign currency exchange rate fluctuations, when we sell our professional services in denominations other than U.S. dollars;
- protectionist laws and business practices that favor local companies;
- political and economic instability in some international markets;
- multiple, conflicting and changing government laws and regulations;
- trade barriers;
- reduced protection for intellectual property rights in some countries; and
- potentially adverse tax consequences.

We may acquire companies in the future, and these acquisitions could disrupt our business.

Although we are not currently evaluating any potential acquisition candidates, we may acquire companies in the future. Entering into an acquisition entails many risks, any of which could harm our business, including:

- diversion of management's attention from other business concerns;
- failure to integrate the acquired company with our existing business;
- failure to motivate, or loss of, key employees from either our existing business or the acquired business;

- potential impairment of relationships with our employees and clients;
- additional operating expenses not offset by additional revenue;
- incurrence of significant non-recurring charges;
- incurrence of additional debt with restrictive covenants or other limitations;
- dilution of our stock as a result of issuing equity securities; and
- assumption of liabilities of the acquired company.

We have a limited operating history as an independent company.

We commenced operations in June 1996 as a division of Deloitte & Touche. From January 1997 through April 1999, we operated as a wholly-owned subsidiary of Deloitte & Touche. In April 1999, we were sold by Deloitte & Touche. Therefore, our business as an independent company has a limited operating history. Consequently, the historical and pro forma information contained herein may not be indicative of our future financial condition and performance.

The loss of our association with Deloitte & Touche could reduce our ability to attract and retain associates and clients and will require us to enhance our infrastructure and local networks.

Our association with Deloitte & Touche, from our inception in June 1996 until April 1999, helped establish us as a high-quality professional services company and contributed to our ability to open, integrate, and establish a presence in new office locations. Apart from certain transition assistance, since April 1999 our contact with Deloitte & Touche has been reduced to the services we provide it. The loss of our association with Deloitte & Touche may adversely affect our business and our ability to attract new clients, keep existing clients and hire and retain qualified associates. We face the challenges of developing a presence in areas where we establish new offices and integrating new office locations so that they are fully operational and functional without the infrastructure previously provided by Deloitte & Touche.

The terms of our transition services agreement between Resources Connection and Deloitte & Touche may not have been on terms indicative of those available from an independent party.

As part of the management-led buyout in April 1999, we entered into a transition services agreement with Deloitte & Touche pursuant to which Deloitte & Touche agreed to provide certain services to us at negotiated rates until none of our offices remained in Deloitte & Touche office space which occurred on August 31, 2000. The negotiated rates we agreed to pay to Deloitte & Touche under the transition services agreement may not be indicative of the rates that an independent third party would have charged us for providing the same services. Specifically, an independent third party may have charged us rates more or less favorable than those charged by Deloitte & Touche. If the terms of the transition services agreement, particularly the rates charged by Deloitte & Touche, were more favorable to us than those available from a third party, our general and administrative expenses will likely increase.

Our business could suffer if we lose the services of a key member of our management.

Our future success depends upon the continued employment of Donald B. Murray, our chief executive officer, and Stephen J. Giusto, our chief financial officer. The departure of Mr. Murray, Mr. Giusto or any of the other key members of our senior management team could significantly disrupt our operations. Key members of our senior management team include Karen M. Ferguson and Brent M. Longnecker, both of whom are executive vice presidents, John D. Bower, our vice president, finance, and Kate W. Duchene, our chief legal officer and executive vice president of human relations. We do not have employment agreements with Mr. Bower or Ms. Duchene.

Deloitte & Touche has agreed not to compete with us and we may be adversely affected when the noncompete expires.

In connection with the management buy-out, Deloitte & Touche agreed not to compete with us in a manner which replicates our business model for a period ending on the earlier of April 1, 2003 or the date that Deloitte &

Touche enters into a significant business combination. The noncompete does not prohibit Deloitte & Touche from using their personnel in a loaned staff capacity or from allowing their personnel to work on a less than full time basis in accordance with the human resources policies of Deloitte & Touche. When the noncompete expires, we may be adversely affected if Deloitte & Touche chooses to compete in a manner previously prohibited by the noncompete.

Our quarterly financial results may be subject to significant fluctuations which may increase the volatility of our stock price.

Our results of operations could vary significantly from quarter to quarter. Factors that could affect our quarterly operating results include:

- the number of holidays in a quarter, particularly the day of the week on which they occur, over which we have no control;
- the amount and timing of operating costs and capital expenditures relating to management and expansion of our business; and
- the timing of acquisitions and related costs, such as compensation charges which fluctuate based on the market price of our common stock.

Due to these and other factors, we believe that quarter-to-quarter comparisons of our results of operations are not meaningful indicators of future performance. It is possible that in some future periods, our results of operations may be below the expectations of investors. If this occurs, the price of our common stock could decline.

We may be subject to laws and regulations that impose difficult and costly compliance requirements and subject us to potential liability and the loss of clients.

In connection with providing services to clients in certain regulated industries, such as the gaming and energy industries, we are subject to industry-specific regulations, including licensing and reporting requirements. Complying with these requirements is costly and, if we fail to comply, we could be prevented from rendering services to clients in those industries in the future.

Risks Related to this Offering

Our securities have no prior market and our stock price is likely to be volatile, which could result in substantial losses for investors purchasing shares in this offering.

Before this offering, there was no public market for our common stock. A consistent public market for our common stock may not develop or be sustained after this offering. Fluctuations in the market price of our common stock could occur in response to factors such as:

- loss of a significant client or group of clients;
- changes in market valuations of professional services companies;
- improvements in the outsourcing of professionals by our competitors; and
- the introduction of new competitors in the market for outsourced professionals.

In addition to these specific factors, companies listed on The Nasdaq Stock Market's National Market have recently experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies listed on these markets. Our common stock will be listed on The Nasdaq Stock Market's National Market after this offering and will therefore be subject to this volatility. The volatility of the market may materially adversely affect the market price of our common stock, regardless of our actual operating performance.

Shares you purchase in this offering will be immediately and substantially diluted and may be further diluted in the future.

The initial public offering price is substantially higher than the net tangible book value of our common stock. As a result, if you purchase shares in this offering, your ownership interest will be immediately and substantially diluted. The dilution is expected to be $11.17 per share. If outstanding options to purchase shares of common stock are exercised, you will be further diluted. If additional capital is raised through the issuance of equity securities, you will experience further dilution. As a result of these dilutions, in the event of a liquidation, you may receive significantly less than the purchase price that you paid for your shares. In addition, any new equity securities may have rights, preferences or privileges senior to those of your shares.

Potential sales of shares eligible for future sale after this offering could cause our stock price to decline.

If our stockholders sell substantial amounts of our common stock, including shares issued upon the exercise of outstanding options, in the public market following this offering, the market price of our common stock could fall. These sales also might make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. The shares sold in this offering will be freely tradable immediately upon completion of this offering. In addition, on the 181st day after completion of this offering, approximately 6,561,441 shares of our common stock held by Evercore Partners L.L.C. and approximately 4,300,879 shares of our common stock held by other existing stockholders will be freely tradable, subject in some instances to the volume and other limitations of Rule 144. Additionally, of the 2,082,500 shares of common stock that may be issued upon the exercise of options outstanding as of October 13, 2000, 417,375 shares of common stock will be vested and eligible for sale 180 days after the date of this prospectus. Sales of these shares and other shares of common stock held by existing stockholders could cause the market price of our common stock to decline. For a further description of the eligibility of shares for sale into the public market following the offering, see "Shares Eligible for Future Sale."

Our existing stockholders will continue to control us after this offering, and they may make decisions with which you disagree.

Upon consummation of this offering, Evercore Partners L.L.C., and certain of its affiliates, will own approximately 31.81% of the outstanding shares of common stock, or 27.63% if the underwriters' over-allotment option is exercised in full, and our executive officers, directors and principal stockholders, including Evercore Partners Inc. and certain of its affiliates, will own approximately 45.5% of the outstanding shares of common stock, or 41.32% if the underwriters' over-allotment option is exercised in full. As a result, Evercore Partners Inc. and/or these other stockholders will be able to control us and direct our affairs, including the election of directors and approval of significant corporate transactions. This concentration of ownership also may delay, defer or even prevent a change in control of our company, and make some transactions more difficult or impossible without the support of these stockholders. These transactions might include proxy contests, tender offers, mergers or other purchases of common stock that could give you the opportunity to realize a premium over the then-prevailing market price for shares of our common stock.

It may be difficult for a third party to acquire our company, and this could depress our stock price.

Delaware corporate law and our amended and restated certificate of incorporation and bylaws contain provisions that could delay, defer or prevent a change of control of our company or our management. These provisions could also discourage proxy contests and make it difficult for you and other stockholders to elect directors and take other corporate actions. As a result, these provisions could limit the price that future investors are willing to pay for your shares. These provisions:

- authorize our board of directors to establish one or more series of undesignated preferred stock, the terms of which can be determined by the board of directors at the time of issuance;

- divide our board of directors into three classes of directors, with each class serving a staggered three-year term. Because the classification of the board of directors generally increases the difficulty of replacing a majority of the directors, it may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us and may make it difficult to change the composition of the board of directors;

- prohibit cumulative voting in the election of directors which, if not prohibited, could allow a minority stockholder holding a sufficient percentage of a class of shares to ensure the election of one or more directors;

- require that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing;

- state that special meetings of our stockholders may be called only by the chairman of the board of directors, our chief executive officer, by the board of directors after a resolution is adopted by a majority of the total number of authorized directors, or by the holders of not less than 10% of our outstanding voting stock;

- establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting;

- provide that certain provisions of our certificate of incorporation can be amended only by supermajority vote of the outstanding shares, and that our bylaws can be amended only by supermajority vote of the outstanding shares or our board of directors;

- allow our directors, not our stockholders, to fill vacancies on our board of directors; and

- provide that the authorized number of directors may be changed only by resolution of the board of directors.

Management's use of the net proceeds from this offering may not increase our operating results or market value.

Management plans to use approximately $38.2 million of our net proceeds from this offering to satisfy the senior and subordinated debt obligations of the company which were outstanding as of September 30, 2000. The remaining proceeds, approximately $21.1 million, will be used for working capital and to fund general corporate purposes. Consequently, our management will have broad discretion with respect to the application of these net proceeds, and you will not have the opportunity, as part of your investment in our common stock, to assess whether the proceeds are being used appropriately. The offering proceeds may be used for purposes that do not increase our operating results or market value. Pending application of the proceeds, they might be placed in investments that do not produce income or that lose value.

The selling stockholders will receive benefits from this offering which we will not share.

The selling stockholders will receive $18.1 million of net proceeds from this offering, excluding the underwriters' over-allotment option. We will not receive any of these proceeds. In addition, this offering will establish a public market for our common stock and provide increased liquidity to the selling stockholders for the shares they own after this offering.

We do not plan to pay dividends in the future.

We have not paid cash dividends in the past and do not plan to pay dividends in the foreseeable future. We currently intend to retain all earnings for the growth of our business.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. These statements relate to future events or our future financial performance. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should" or "will" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks outlined under "Risk Factors," that may cause our, or our industry's, 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.

We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

This prospectus contains estimates made by independent parties relating to market size and growth. These estimates involve a number of assumptions and limitations. Projections, assumptions and estimates of our future performance and the future performance of our industry are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and elsewhere in this prospectus.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of 5,000,000 shares of common stock, offered by us at an assumed initial public offering price of $13.00 per share, will be $59.3 million, after deducting the estimated underwriting discounts and commissions and estimated offering expenses. We will not receive any proceeds from the sale of shares by the selling stockholders.

We intend:

- to use approximately $11.9 million of the net proceeds to repay our senior debt obligations outstanding as of September 30, 2000, bearing interest, at our option, at the prime rate plus 2% and a Eurodollar-based rate plus 3% and having a maturity date of October 2003, pursuant to our existing credit agreement. As of September 30, 2000, the interest rate on our senior debt obligations (using our Eurodollar-based rate option) was 9.69%;

- to use approximately $26.3 million of the net proceeds to redeem the balance due on our subordinated notes as of September 30, 2000, bearing 12% interest per annum and having a maturity date of April 15, 2004.

After repayment of our outstanding debt, we currently have no specific plans for the remaining net proceeds from this offering. In general, we would use the funds for working capital and general corporate purposes, including expansion of sales and marketing activities, enhancement of our technology infrastructure, possible acquisitions and possible international expansion. We currently have no commitments or agreements to make any acquisitions and may not make any acquisitions in the future. We have not reserved or allocated the balance of the net proceeds for any specific transaction, and we cannot specify with certainty how we will use the balance of the net proceeds. The amounts and timing of these expenditures will vary significantly depending on a number of factors, including, but not limited to, the amount of cash generated by our operations. We may find it necessary or advisable to use portions of the balance of the net proceeds for other purposes, and we will have broad discretion in the application of the balance of the net proceeds. Pending these uses, we intend to invest the net proceeds in United States government securities and other short-term, investment-grade, interest-bearing instruments. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" for additional information regarding our sources and uses of capital.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings to finance the growth and development of our business and do not anticipate paying any cash dividends in the foreseeable future. Our credit agreement currently prohibits us from declaring or paying any dividends or other distributions on any shares of our capital stock other than dividends payable solely in shares of capital or the stock of our subsidiaries. Any future determination to pay cash dividends will be at the discretion of our board of directors and will depend upon our financial condition, results of operations, capital requirements, general business condition, contractual restrictions contained in our credit agreement and other agreements, and other factors deemed relevant by our board of directors.

CAPITALIZATION

The following table sets forth as of August 31, 2000 our capitalization on an actual basis and a pro forma as adjusted basis to reflect the sale of 5,000,000 shares of common stock in this offering at the initial public offering price of $13.00 per share, the conversion of all authorized shares of Class B Common Stock and the repayment of our bank debt and the redemption of our subordinated notes. You should read this information together with the "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes contained elsewhere in this prospectus.

	As of August 31, 2000	
	Actual	Pro Forma As Adjusted
	(in thousands)	
Debt (including current maturities):		
Senior Secured Credit Facility	$ 15,500	$ --
Subordinated Notes	26,019	--
Total Debt	41,519	--
Stockholders' equity:		
Preferred Stock, $0.01 par value, 5,000,000 shares authorized and no shares issued or outstanding, actual; 5,000,000 shares authorized and no shares issued and outstanding, pro forma as adjusted	--	--
Common Stock, $0.01 par value, 35,000,000 shares authorized and 15,630,000 shares issued and outstanding, actual; 35,000,000 shares authorized and 20,630,000 issued and outstanding, pro forma as adjusted	--	206
Common Stock, 25,000,000 shares designated and 15,485,260 shares issued and outstanding, actual; no shares designated, issued or outstanding, pro forma as adjusted	155	--
Class B Common Stock, 3,000,000 shares designated and 144,740 shares issued and outstanding, actual; no shares designated, issued or outstanding, pro forma as adjusted	1	--
Class C Common Stock, 7,000,000 shares designated and no shares issued and outstanding, actual; no shares designated, issued or outstanding, pro forma as adjusted	--	--
Additional paid-in capital	11,160	70,410
Deferred stock compensation	(1,375)	(1,375)
Accumulated other comprehensive loss	(31)	(31)
Retained earnings	9,562	9,562
Total stockholders' equity	19,472	78,772
Total capitalization	$ 60,991	$ 78,772

This table excludes the following shares:

- 2,090,000 shares of common stock issuable on the exercise of stock options outstanding as of August 31, 2000; and
- 2,950,000 additional shares of common stock reserved for future grant or issuance under the 1999 Long-Term Incentive Plan as of August 31, 2000.

DILUTION

Our net tangible book value at August 31, 2000 was $(21.5 million), or approximately $(1.37) per share. Pro forma net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the number of shares of common stock outstanding after giving effect to the conversion of all Class B Common Stock to Common Stock. Dilution in pro forma net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the net tangible book value per share of our common stock immediately afterwards. After giving effect to our sale of 5,000,000 shares of common stock offered by this prospectus and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value at August 31, 2000 would have been approximately $37.8 million, or $1.83 per share. This represents an immediate increase in pro forma net tangible book value of $3.20 per share to existing stockholders and an immediate dilution in pro forma net tangible book value of $11.17 per share to new stockholders purchasing shares of common stock in this offering. The following table illustrates this per share dilution.

Assumed public offering price per share.....		$13.00
Net tangible book value per share as of August 31, 2000....	$(1.37)	
Increase per share attributable to new stockholders.....	3.20	
Pro forma as adjusted net tangible book value per share after the offering.....		1.83
Dilution per share to new stockholders.....		$11.17

The following table summarizes the difference between the existing stockholders and new stockholders with respect to the number of shares of common stock purchased from us, the total consideration paid to us, and the average price per share paid. The information is presented as of August 31, 2000, and is based on an assumed initial public offering price of $13.00 per share, before deducting the underwriting discount and commissions and our estimated offering expenses.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders.....	15,630,000	75.8%	$10,056,300	13.4%	$ 0.64
New stockholders.....	5,000,000	24.2	65,000,000	86.6	$13.00
Total.....	20,630,000	100.0%	$75,056,300	100.0%	

The foregoing discussion and tables assume no exercise of options to purchase 2,090,000 shares of common stock, at a weighted average exercise price of $4.10 per share outstanding as of August 31, 2000 and does not include 2,950,000 additional shares of common stock reserved for issuance under the 1999 Long-Term Incentive Plan. If any of these options are exercised, the new stockholders will be further diluted. For more information about these options, see "Management--1999 Long-Term Incentive Plan," "Description of Capital Stock" and Notes 10 and 14 to Resources Connection, Inc. Notes to Consolidated Financial Statements.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the following selected historical consolidated financial data in conjunction with our consolidated financial statements and related notes beginning on page F-1 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing on page 19. The statement of income data for the year ended May 31, 1997, and the consolidated balance sheet data at May 31, 1997 were derived from the unaudited financial statements of Resources Connection LLC and are not included in this prospectus. The statements of income data for the year ended May 31, 1998, and the period from June 1, 1998 to March 31, 1999, and the balance sheet data at May 31, 1998 were derived from the financial statements of Resources Connection LLC that have been audited by PricewaterhouseCoopers LLP, independent accountants, and, with respect to the statement of income data, are included elsewhere in this prospectus. The consolidated statements of income data for the period from November 16, 1998 to May 31, 1999, and the year ended May 31, 2000, and the consolidated balance sheet data at May 31, 1999 and 2000 were derived from our consolidated financial statements that have been audited by PricewaterhouseCoopers LLP and are included elsewhere in this prospectus. The selected consolidated financial and operating data as of and for the three months ended August 31, 1999 and 2000 have been derived from our unaudited consolidated financial statements which, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) necessary to present fairly, in accordance with accounting principles generally accepted in the United States, the information for those periods. Historical results are not necessarily indicative of results that may be expected for any future periods.

	Resources Connection LLC			Resources Connection, Inc.			
	Year Ended May 31, 1997	Year Ended May 31, 1998	Period from June 1, 1998 to March 31, 1999	Period from November 16, 1998 to May 31, 1999	Year Ended May 31, 2000	Three Months Ended August 31, 1999	Three Months Ended August 31, 2000
	(unaudited)					(unaudited)	
	(dollar amounts in thousands, except per share data)						
Consolidated Statements of Income Data:							
Revenue	$9,331	$29,508	$55,438	$15,384	$126,332	$ 25,533	$ 39,155
Direct cost of services	5,367	16,671	31,253	8,618	73,541	14,491	22,749
Gross profit	3,964	12,837	24,185	6,766	52,791	11,042	16,406
Selling, general and administrative expenses	3,086	9,035	17,071	4,274	34,649	6,814	10,720
Amortization of intangible assets	--	--	--	371	2,231	510	578
Depreciation expense	9	79	118	30	284	52	192
Income from operations	869	3,723	6,996	2,091	15,627	3,666	4,916
Interest expense	--	--	--	734	4,717	1,155	1,209
Income before provision for income taxes	869	3,723	6,996	1,357	10,910	2,511	3,707
Provision for income taxes	--	--	--	565	4,364	1,004	1,483
Net income	$ 869	$ 3,723	$ 6,996	$ 792	$ 6,546	$ 1,507	$ 2,224
Pro Forma Data(1):							
Income before provision for income taxes	$ 869	$ 3,723	$ 6,996				
Pro forma provision for income taxes	348	1,489	2,798				
Pro forma net income	$ 521	$ 2,234	$ 4,198				
Net income per share:							
Basic				$ 0.09	$ 0.42	$ 0.10	$ 0.14
Diluted				$ 0.09	$ 0.42	$ 0.10	$ 0.13
Number of shares used in computing net income per share:							
Basic				8,691	15,630	15,630	15,630
Diluted				8,691	15,714	15,630	16,819
Supplemental Pro Forma Data(2):							
Supplemental pro forma net income					$ 9,376		$ 2,950
Supplemental pro forma net income per share:							
Basic					$ 0.50		$ 0.16
Diluted					$ 0.50		$ 0.15

					========		========
Supplemental pro forma weighted average shares outstanding:							
Basic					18,843		18,824
					========		========
Diluted					18,927		20,013
					========		========
Other Data:							
Number of offices open at end of period	9	18	27	28	35	31	38
Total number of associates on assignment at end of period	127	326	675	697	1,056	757	1,065

	Resources Connection LLC		Resources Connection, Inc.		
	May 31,		May 31,		August 31,
	1997	1998	1999	2000	2000
	(unaudited)				(unaudited)
Consolidated Balance Sheet Data:					
Cash and cash equivalents.....	$ --	$ 3,168	$ 876	$ 4,490	$ 5,724
Working capital.....	1,133	4,504	7,150	7,664	9,723
Total assets.....	1,409	7,976	58,954	70,106	71,973
Long-term debt, including current portion.....	--	--	42,531	41,771	41,519
Stockholders' equity.....	1,205	4,928	10,610	17,185	19,473

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(1) As a limited liability company, income taxes on any income realized by Resources Connection LLC were the obligation of its members and, accordingly, no provision for income taxes was recorded by Resources Connection LLC. Pro forma net income has been computed for periods through May 31, 1999, as if Resources Connection LLC had been fully subject to federal and state income taxes as a C corporation.

(2) Reflects the pro forma sale of 3,213,135 shares as of May 31, 2000 and 3,193,770 shares as of August 31, 2000 of our common stock at the initial public offering price of $13.00 per share. Such shares solely represent the amounts necessary to pay down our senior debt obligations, revolving line of credit and subordinated notes, which indebtedness amounted to $41.8 million at May 31, 2000 and $41.5 million at August 31, 2000. Supplemental pro forma net income reflects the pro forma elimination of interest expense related to this debt, net of federal and state corporate-level income taxes, equal to $2.8 million as of May 31, 2000 and $726,000 as of August 31, 2000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes. This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors including, but not limited to, those discussed in "Risk Factors" starting on page 6 and elsewhere in this prospectus.

Overview

Resources Connection is a professional services firm that provides experienced accounting and finance, human resources management and information technology professionals to clients on a project-by-project basis. We assist our clients with discrete projects requiring specialized professional expertise in accounting and finance, such as mergers and acquisitions due diligence, financial analyses (e.g., product costing and margin analyses) and tax-related projects. In addition, we provide human resources management services, such as compensation program design and implementation, and information technology services, such as transitions of management information systems. We also assist our clients with periodic needs such as budgeting and forecasting, audit preparation and public reporting.

We began operations in June 1996 as a division of Deloitte & Touche and operated as a wholly-owned subsidiary of Deloitte & Touche from January 1997 until April 1999. In November 1998, our management formed RC Transaction Corp., renamed Resources Connection, Inc., to raise capital for an intended management-led buyout. In April 1999, we completed a management-led buyout in partnership with our investor Evercore Partners, Inc., four of its affiliates and six other investors. In connection with the buyout, we entered into a transition services agreement with Deloitte & Touche, whereby Deloitte & Touche agreed to provide certain services to us at negotiated rates during the period that we maintained our offices within their locations. We have completed the transition of all of our offices previously located in Deloitte & Touche space. The financial statements of Resources Connection LLC for the period from June 1, 1998 to March 31, 1999, and financial statements of Resources Connection, Inc. for all periods thereafter, include charges for services supplied by Deloitte & Touche. Although these transition services were negotiated at arms length, the charges for these services may not necessarily be indicative of rates available from third parties. Our management has been unable to determine the availability and the cost of similar services had they been provided by third parties.

Growth in revenue, to date, has generally been the result of establishing offices in major markets throughout the United States. We established nine offices during fiscal 1997, our initial fiscal year, all in the Western United States. In fiscal 1998, we established nine additional offices, which extended our geographic reach to the Midwest and Eastern United States. For the year ended May 31, 1999, we opened ten more offices and established a new service line in information technology. In fiscal 2000, we established four more domestic offices, established a new service line in human resources management and also began operations in Toronto, Canada; Taipei, Taiwan; and Hong Kong, People's Republic of China. Our new service lines were introduced in a limited number of our offices. To date in fiscal 2001, we have established six domestic offices. As a result, we currently serve our clients through 38 offices in the United States and three offices abroad.

We earn revenue primarily by charging our corporate clients on an hourly basis for the professional services of our associates. We recognize revenue once services have been rendered and invoice our clients on a weekly basis. Our clients are contractually obligated to pay us for all hours billed. To a much lesser extent, we also earn revenue if a client hires an associate onto its permanent payroll. This type of contractually non-refundable revenue is recognized at the time our client completes the hiring process and represented less than 4% of our revenue in each of fiscal 1998, the period from June 1, 1998 to March 31, 1999, the period from April 1, 1999 to May 31, 1999 and fiscal 2000. We periodically review our outstanding accounts receivable balance and determine an estimate of the amount of those receivables we believe may prove uncollectible. Our provision for bad debts is included in our selling, general and administrative expenses.

The costs to pay our professional associates and all related benefit and incentive costs, including provisions for paid time off and other employee benefits, are included in direct cost of services. We pay our associates on an hourly basis for all hours worked on client engagements and therefore, direct cost of services tend to vary directly with the volume of revenue we earn. We expense the benefits we pay to our associates as they are earned. These benefits include paid vacation and holidays; referral bonus programs; group health, dental and life insurance programs; a matching 401(k) retirement plan; and professional development and career training. In addition, we pay the related costs of employment, including state and federal payroll taxes, workers' compensation insurance, unemployment insurance and associated costs. Typically, an associate must work a threshold number of hours to be eligible for all of the benefits. We recognize direct cost of services when incurred.

Selling, general and administrative expenses include the payroll and related costs of our national and local management as well as general and administrative, marketing and recruiting costs. Our sales and marketing efforts are led by our management team who are paid a salary and earn bonuses based on certain operating results for our company and in their geographic market.

In April 1999, at the time of our purchase of the company, a media kit was posted on our website which stated that we anticipated annual revenue of $200 million in calendar year 2001. The media kit, including the revenue projection, was not updated because it was intended to speak only as of the date it was initially released. Our ability to achieve this level of revenue was subject to uncertainties and contingencies, including our ability to attract and retain the highly qualified associates necessary to grow our business, our expansion into new lines of professional service, the growth of the market for professional outsourced services, the continuation of economic conditions which are conducive to clients outsourcing such services, the acceptance of our services by our target market, competition, such as competitors' ability to react to our expanded line of services, and the effect of our becoming an independent company. Projections are necessarily speculative in nature, as one or more of the assumptions on which they are based may not materialize or other factors may become important. In addition, certain factors, such as the sale by major audit firms of their non-audit services and the Commission's recently adopted auditor independence requirements, may alter the competitive environment in which we operate and therefore may affect our ability to realize this revenue level. These and other factors were not known or anticipated in April 1999. Since this revenue projection appears in this prospectus solely because it appeared on our website you should consider it only as an estimate as of the date it was actually made and carefully evaluate it after reviewing all of the information in this prospectus including the risk factors that are set forth on pages 6 to 12 of this prospectus.

Results of Operations

The following tables set forth, for the periods indicated, our consolidated statements of income data. These historical results are not necessarily indicative of future results.

	Resources Connection LLC		Resources Connection, Inc.			
					Three Months Ended August 31,	
	Year Ended May 31, 1998	Period from June 1, 1998 to March 31, 1999	Period from November 16, 1998 to May 31, 1999	Year Ended May 31, 2000	1999	2000
	(amounts in thousands)				(unaudited)	
Revenue	$29,508	$55,438	$15,384	$126,332	$ 25,533	$39,155
Direct cost of services	16,671	31,253	8,618	73,541	14,491	22,749
Gross profit	12,837	24,185	6,766	52,791	11,042	16,406
Selling, general and administrative expenses	9,035	17,071	4,274	34,649	6,814	10,720
Amortization of intangible assets	--	--	371	2,231	510	578
Depreciation expense	79	118	30	284	52	192
Income from operations	3,723	6,996	2,091	15,627	3,666	4,916
Interest expense	--	--	734	4,717	1,155	1,209
Income before provision for income taxes	3,723	6,996	1,357	10,910	2,511	3,707
Provision for income taxes(1)	--	--	565	4,364	1,004	1,483
Net income(1)	$ 3,723	$ 6,996	$ 792	$ 6,546	$ 1,507	$ 2,224

Our operating results for the periods indicated are expressed as a percentage of revenue below.

	Resources Connection LLC		Resources Connection, Inc.			
					Three Months Ended August 31,	
	Year Ended May 31, 1998	Period from June 1, 1998 to March 31, 1999	Period from November 16, 1998 to May 31, 1999	Year Ended May 31, 2000	1999	2000
					(unaudited)	
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct cost of services	56.6	56.4	56.0	58.2	56.8	58.1
Gross profit	43.4	43.6	44.0	41.8	43.2	41.9
Selling, general and administrative expenses	30.5	30.8	27.8	27.4	26.7	27.4
Amortization of intangible assets	--	--	2.4	1.8	2.0	1.5
Depreciation expense	0.3	0.2	0.2	0.2	0.2	0.5
Income from operations	12.6	12.6	13.6	12.4	14.4	12.6
Interest expense	--	--	4.8	3.7	4.5	3.1
Income before provision for income taxes	12.6	12.6	8.8	8.7	9.8	9.5
Provision for income taxes(1)	--	--	3.7	3.5	3.9	3.8
Net income(1)	12.6%	12.6%	5.1%	5.2%	5.9%	5.7%

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(1) As a limited liability company, income taxes on any income realized by Resources Connection LLC were the obligation of its members and, accordingly, no provision for income taxes was recorded by Resources Connection LLC.

Three Months Ended August 31, 2000 compared to Three Months Ended August 31, 1999

Revenue. Revenue increased $13.7 million, or 53.7%, to $39.2 million for the three months ended August 31, 2000 from $25.5 million for the three months ended August 31, 1999. The increase in total revenue was primarily due to the growth in total billable hours resulting from an increase in the number of associates on assignment from 757 at the end of the first quarter of fiscal 2000 to 1,065 at the end of the first quarter of fiscal 2001 and a 10% increase in the average billing rate per hour. Substantially all of the increase in revenue is attributable to the increase in the number of associates. During the first quarter of fiscal 2001, we opened three new offices.

Direct Cost of Services. Direct cost of services increased $8.2 million, or 56.6%, to $22.7 million for the three months ended August 31, 2000 from $14.5 million for the three months ended August 31, 1999. This increase was the result of the growth in the number of associates on assignment from 757 at the end of the first quarter of fiscal 1999 to 1,065 at the end of the first quarter of fiscal 2000 and an increase of 6.7% in the average pay rate per hour. Substantially all of the increase in direct cost of services is attributable to the increase in the number of associates. The direct cost of services increased as a percentage of revenue from 56.8% for the three months ended August 31, 1999 to 58.1% for the three months ended August 31, 2000. This increase reflects the impact of our enriched benefit programs for associates.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $3.9 million, or 57.4%, to $10.7 million for the three months ended August 31, 2000 from $6.8 million for the three months ended August 31, 1999. This increase was attributable to the increase in the cost of operating and staffing the three new offices opened in the first quarter of fiscal 2001 and the growth at offices opened prior to fiscal 2001. Management and administrative headcount increased from 180 at the end of the first quarter of fiscal 2000 to 242 at the end of the first quarter of fiscal 2001. Selling, general and administrative expenses increased as a percentage of revenue from 26.7% for the three months ended August 31, 1999 to 27.4% for the three months ended August 31, 2000. This percentage increase results primarily from an increase in occupancy costs related to the continuing growth in the total square footage of our offices.

Amortization and Depreciation Expense. Amortization of intangible assets increased from $510,000 for the three months ended August 31, 1999 to $578,000 for the three months ended August 31, 2000. The increase in amortizations between the two periods reflects the slightly higher balance of intangible assets as of August 31, 2000.

Depreciation expense increased from $52,000 for the three months ended August 31, 1999 to $192,000 for the three months ended August 31, 2000. This increase reflects the impact of the completed moves out of Deloitte & Touche office space into our own space year over year, continuing growth in our number of offices and our investment in information technology.

Interest Expense. Interest expense increased from $1,155,000 for the three months ended August 31, 1999 to $1,209,000 for the three months ended August 31, 2000. This increase reflects an increase in the average interest rate incurred on the term loan from 8.27% for the three months ended August 31, 1999 to 9.8% for the three months ended August 31, 2000 and a higher balance due on the subordinated debt, offset by lower interest due after payments on the term loan. Between August 31, 1999 and August 31, 2000, the term loan was reduced from $17.6 million to $15.5 million, while the subordinated debt increased from $23.1 million to $26.0 million as we deferred interest payments due on the subordinated debt.

Income Taxes. The provision for income taxes increased from $1.0 million for the three months ended August 31, 1999 to $1.5 million for the three months ended August 31, 2000. The effective tax rate was 40.0% for both quarters, which differs from the federal statutory rate primarily due to state taxes, net of federal benefit. No adjustment is anticipated in the rate in the near future.

Year Ended May 31, 2000 compared to the Period from November 16, 1998 to May 31, 1999

Revenue. Revenue increased $110.9 million or 720.1% to $126.3 million for the year ended May 31, 2000 from $15.4 million for the period from November 16, 1998 to May 31, 1999. The increase in total revenue was the result of the comparison of a full year of operations in fiscal 2000, compared to only two months of operations following the acquisition on April 1, 1999. Prior to April 1, 1999, Resources Connection, Inc. had no substantial operations.

Direct Cost of Services. Direct cost of services increased $64.9 million or 754.7% to $73.5 million for the year ended May 31, 2000 from $8.6 million for the period from November 16, 1998 to May 31, 1999. The increase in direct cost of services was primarily the result of the comparison of a full year of operations compared to only two months of operations following the acquisition. The direct cost of services increased as a percentage of revenue from 56.0% for the period from November 16, 1998 to May 31, 1999 to 58.2% for the year ended May 31, 2000. During the year ended May 31, 2000, we enriched our benefit programs for associates and more associates qualified for benefits.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $30.3 million or 704.7% to $34.6 million for the year ended May 31, 2000 from $4.3 million for the period from November 16, 1998 to May 31, 1999. The increase in selling, general and administrative expenses was primarily the result of the comparison of a full year of operations compared to only two months of operations following the acquisition and partially the result of an increase in number of offices from 28 at May 31, 1999 to 35 at May 31, 2000. Selling, general and administrative expenses decreased as a percentage of revenue from 27.8% for the period from November 16, 1998 to May 31, 1999 to 27.4% for the year ended May 31, 2000 due to these expenses being spread over a larger revenue base.

Amortization and Depreciation Expenses. Amortization of intangible assets increased from $371,000 for the period from November 16, 1998 to May 31, 1999 to $2.2 million for the year ended May 31, 2000. The increase was related to our acquisition of Resources Connection LLC. Results for the year ended May 31, 2000 reflect a full year of amortization expense compared with only two months subsequent to the acquisition in the period from November 16, 1998 to May 31, 1999.

Depreciation expense increased from $30,000 for the period from November 16, 1998 to May 31, 1999 to $284,000 for the year ended May 31, 2000. The increase in depreciation expense was primarily the result of the comparison of a full year of operations compared to only two months of operations in the period from November 16, 1998 to May 31, 1999.

Interest Expense. Interest expense increased from $734,000 for the period from November 16, 1998 to May 31, 1999 to $4.7 million for the year ended May 31, 2000, related primarily to debt incurred in connection with the acquisition of Resources Connection LLC. From May 31, 1999 to May 31, 2000, the term loan portion of the acquisition debt was reduced from $18.0 million to $16.5 million. The balance due on the subordinated notes increased from $22.4 million as of May 31, 1999 to $25.3 million as of May 31, 2000 as we deferred interest payments due on the subordinated debt. The outstanding balance due on the revolver as of May 31, 1999 of $2.1 million was repaid during the first quarter of fiscal 2000; the revolver has not been utilized since January 2000.

Income Taxes. The provision for income taxes increased from $565,000 for the period from November 16, 1998 to May 31, 1999 to $4.4 million for the year ended May 31, 2000. The effective tax rate decreased from 41.6% for the period from November 16, 1998 to May 31, 1999 to 40.0% for the year ended May 31, 2000. Our effective rate differs from the federal statutory rate primarily due to state taxes, net of federal benefit.

Fiscal 2000 compared to Pro Forma Fiscal 1999 (Revenue and Direct Cost of Services)

The following paragraphs compare the revenue and direct cost of services of Resources Connection, Inc. for fiscal 2000 to the pro forma revenue and direct cost of service for Resources Connection, Inc. for the period from November 1, 1998 to May 31, 1999 as if our acquisition of Resources Connection LLC had occurred on June 1, 1998.

Pro Forma Revenue. Revenue increased $55.5 million, or 78.4%, to $126.3 million in fiscal 2000 from $70.8 million in pro forma fiscal 1999. The increase in total revenues was primarily due to the growth in the total billable hours resulting from the increase in the number of associates on assignment from 697 at the end of pro forma fiscal 1999 to 1,056 at the end of fiscal 2000 and an increase of 6.3% in the average billing rate per hour. Substantially all of the increase in revenues is attributable to the increase in the number of associates. During fiscal 2000, we opened seven new offices, introduced our human resources management service line to certain existing markets and expanded our recently introduced information technology service line in existing market places. Our new service line contributed $2.3 million to revenues during the year or 1.8% of our increase in revenue.

Pro Forma Direct Cost of Services. Direct cost of services increased $33.7 million, or 84.5%, to $73.5 million in fiscal 2000 from $39.9 million in pro forma fiscal 1999. This increase was the result of the growth in the number of associates on assignment from 697 at the end of pro forma fiscal 1999 to 1,056 at the end of fiscal 2000 and an increase of 5.7% in the average pay rate per hour. Substantially all of the increase in direct cost of services is attributable to the increase in the number of associates. In addition, we enriched certain of our benefit programs for associates during fiscal 2000 and more of our associates qualified for benefits. The direct cost of services as a percentage of revenue in fiscal 2000 was 58.2% as compared to 56.4% in pro forma fiscal 1999, reflecting primarily the impact of these enriched benefit programs.

Period from June 1, 1998 to March 31, 1999 compared to Year Ended May 31, 1998

Revenue. Revenue increased $25.9 million, or 87.8%, to $55.4 million for the period from June 1, 1998 to March 31, 1999 from $29.5 million for the year ended May 31, 1998. Although there were only 10 months in the period from June 1, 1998 to March 31, 1999 compared to 12 months for fiscal 1998, revenues increased primarily due to the growth in total billable hours resulting from the increase in the number of associates on assignment from 327 as of May 31, 1998 to 675 as of March 31, 1999.

Direct Cost of Services. Direct cost of services increased $14.6 million, or 87.4%, to $31.3 million for the period from June 1, 1998 to March 31, 1999 from $16.7 million for the year ended May 31, 1998. Although there were only 10 months in the period from June 1, 1998 to March 31, 1999 compared to 12 months for the year ended May 31, 1998, direct cost of services increased primarily due to the growth in the number of associates on assignment from 327 as of May 31, 1998 to 675 as of March 31, 1999. The direct cost of services as a percentage of revenue for the period from June 1, 1998 to March 31, 1999 was 56.4% compared to 56.5% for fiscal 1998.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $8.1 million, or 90.0%, to $17.1 million for the period from June 1, 1998 to March 31, 1999 from $9.0 million for the year ended May 31, 1998. The primary reason for the increase between the two periods was the addition of 9 offices during the period from June 1, 1998 to March 31, 1999 as well as growth in the existing offices. Selling, general and administrative expenses increased slightly as a percentage of revenue from 30.6% for fiscal 1998 to 30.8% for the period from June 1, 1998 to March 31, 1999.

Depreciation Expense. Depreciation expense increased from $79,000 for the year ended May 31, 1998 to $118,000 for the period from June 1, 1998 to March 31, 1999. The increase in depreciation expense was primarily the result of depreciation on assets purchased for the new offices opened during the period ended March 31, 1999 as well as equipment purchased for existing offices.

Quarterly Results

The following table sets forth our unaudited quarterly consolidated statements of income data for each of the eight quarters in the two-year period ended August 31, 2000. In the opinion of management, this data has been prepared on a basis substantially consistent with our audited consolidated financial statements appearing elsewhere in this prospectus, and reflect and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the data. The quarterly data should be read together with our consolidated financial statements and related notes appearing elsewhere in this prospectus. The operating results are not necessarily indicative of the results to be expected in any future period.

	Resources Connection LLC				Resources Connection, Inc.				
	Quarter Ended		Period from March 1, 1999 to March 31, 1999	Period from April 1, 1999 to May 31, 1999	Quarter Ended				
	Nov. 30, 1998	Feb. 28, 1999			Aug. 31, 1999	Nov. 30, 1999	Feb. 29, 2000	May 31, 2000	Aug. 31, 2000
	(in thousands)								
Consolidated Statements of Income Data:									
Revenue	$15,354	$19,766	$8,634	$15,384	$25,533	$28,581	$33,384	$38,834	$39,155
Direct cost of services	8,608	11,369	4,801	8,618	14,491	16,626	19,765	22,659	22,749
Gross profit	6,746	8,397	3,833	6,766	11,042	11,955	13,619	16,175	16,406
Selling, general and administrative expenses	4,963	6,031	2,385	4,274	6,813	8,050	9,365	10,421	10,720
Amortization of intangible assets	--	--	--	371	511	577	572	571	578
Depreciation expense	33	39	13	30	51	49	31	153	192
Income from operations	1,750	2,327	1,435	2,091	3,667	3,279	3,651	5,030	4,916
Interest expense	--	--	--	734	1,154	1,186	1,199	1,178	1,209
Income before provision for income taxes	1,750	2,327	1,435	1,357	2,513	2,093	2,452	3,852	3,707
Provision for income taxes(1)	700	931	573	565	1,006	835	981	1,542	1,483
Net income(1)	$ 1,050	$ 1,396	$ 862	$ 792	$ 1,507	$ 1,258	$ 1,471	$ 2,310	$ 2,224

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(1) As a limited liability company, income taxes on any income realized by Resources Connection LLC were the obligation of its members and, accordingly, no provision for income taxes was recorded by Resources Connection. Pro forma net income has been computed for periods through March 31, 1999, as if Resources Connection LLC had been fully subject to federal and state income taxes as a C corporation.

Our quarterly results have fluctuated in the past and we believe they will continue to do so in the future. Factors that could affect our quarterly operating results include:

- our ability to attract new clients and retain current clients;
- the mix of client projects;
- the announcement or introduction of new services by us or any of our competitors;
- the expansion of the professional services offered by us or any of our competitors into new locations both nationally and internationally;
- the entry of new competitors into any of our markets;
- the number of holidays in a quarter, particularly the day of the week on which they occur;
- changes in the pricing of our professional services or those of our competitors;
- the amount and timing of operating costs and capital expenditures relating to management and expansion of our business; and
- the timing of acquisitions and related costs, such as compensation charges which fluctuate based on the market price of our common stock.

Due to these and other factors, we believe that quarter-to-quarter comparisons of our results of operations are not meaningful indicators of future performance.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by our operations and, to the extent necessary, available commitments under our revolving line of credit. Deloitte & Touche provided operating capital and accounts receivable financing through March 1999; however, by the end of fiscal 1997, we generated positive cash flows from operations, and we continued to do so in fiscal years 1998, 1999 and 2000.

In April 1999, in connection with the acquisition of Resources Connection LLC, we entered into a $28.0 million credit agreement with Bankers Trust Company, now Deutsche Bank Securities Inc., U.S. Bank National Association and BankBoston, N.A., which provides for an $18.0 million term loan facility and a $10.0 million revolving credit facility. Principal payments on the term loan are due quarterly and the credit agreement expires on October 1, 2003. At the end of fiscal 2000, the amount outstanding on the term loan was $16.5 million and we had no outstanding borrowings under the revolving credit facility. Borrowings under the credit agreement are secured by all of our assets. Our interest rate options under our credit agreement are prime rate plus 2% and a Eurodollar-based rate plus 3%. At the end of fiscal 2000, the term loan bore interest at 9.69%. Interest is payable on both the term loan and revolving credit facility at various intervals no less frequent than quarterly. Under the terms of the credit agreement, the term loan must be repaid upon consummation of this offering.

In April 1999, we issued $22.0 million in 12% subordinated promissory notes to certain investors. The notes are subordinate to our bank facilities. Interest accrues on the notes at 12% and is payable on a quarterly basis; however, we may elect and have elected to defer payment of the interest and to add the balance due to the outstanding principal balance. All principal, including accrued interest, is due on April 15, 2004. At the end of fiscal 2000, the outstanding balance was $25.3 million.

Net cash provided by operating activities totaled $10.5 million in fiscal 2000, $3.0 million in fiscal 1999 on a pro forma combined basis (including $5.0 million in cash acquired in connection with our acquisition of Resources Connection LLC) and $3.6 million in fiscal 1998. Cash provided by operations resulted primarily from the net earnings of the company partially offset by growth in working capital.

Net cash used in investing activities totaled $3.3 million in fiscal 2000, $51.1 million in fiscal 1999 and $431,000 in fiscal 1998. Other than in fiscal 1999, when we used cash to purchase Resources Connection LLC, cash used in investing activities was a result of purchases of property and equipment.

Net cash used in financing activities totaled $3.6 million in fiscal 2000 and net cash generated by financing activities totaled $50.8 million in fiscal 1999. We had no financing activities in fiscal 1998. Net cash generated from financing activities in fiscal 1999 resulted from the issuance of common stock, the issuance of subordinated debt and proceeds from bank debt associated with the purchase of Resources Connection LLC and the resultant financing of the ongoing operations of our company thereafter. Cash used in financing activities during fiscal 2000 resulted from the repayment of our term debt and the net decrease in borrowings under our revolving line of credit.

Our ongoing operations and anticipated growth in the geographic markets we serve will require us to continue making investments in capital equipment, primarily technology hardware and software. In addition, we may consider making certain strategic acquisitions. We anticipate that our current cash, existing availability under our revolving line of credit and the ongoing cash flows from our operations will be adequate to meet our working capital and capital expenditure needs for at least the next 12 months. Our longer term plans for expanding our business anticipate that these sources of liquidity will be sufficient for the foreseeable future. If we require additional capital resources in addition to the proceeds from this offering to grow our business, either internally or through acquisition, we may seek to sell additional equity securities or to secure additional debt financing. The sale of additional equity securities or the addition of new debt financing could result in additional dilution to our stockholders. We may not be able to obtain financing arrangements in amounts or on terms acceptable to us in the future. In the event we are unable to obtain additional financing when needed, we may be compelled to delay or curtail our plans to develop our business which could have a material adverse affect on our operations, market position and competitiveness.

Qualitative and Quantitative Disclosure About Market Risk

Interest Rate Risk. At the end of fiscal 2000, we had $4.5 million of cash and highly liquid short-term investments. These investments are subject to changes in interest rates, and to the extent interest rates were to decline, it would reduce our interest income. At the end of fiscal 2000, we had outstanding term debt totaling $16.5 million. We can select to accrue interest based on an index tied to the prime rate, or the Eurodollar, or a combination thereof. We have entered into an interest rate swap with a credit-worthy counterparty to fix the interest rate on $12.6 million of our term debt at 8.96%, but the remaining balance is subject to interest rate risk based on fluctuations in the base rate for our loan. A 100 basis point increase in interest rates, approximately 10% of our end of year interest rate on debt, affecting our financial instruments would have an immaterial effect on our results of operations, financial position or cash flows.

Foreign Currency Exchange Rate Risk. To date, our foreign operations have not been significant to our overall operations, and our exposure to foreign currency exchange rate risk has been low. However, as our strategy to continue expanding foreign operations progresses, we expect more of our revenues will be derived from foreign operations denominated in the currency of the applicable markets. As a result, our operating results could become subject to fluctuations based upon changes in the exchange rates of foreign currencies in relation to the U.S. dollar. Although we intend to monitor our exposure to foreign currency fluctuations, including the use of financial hedging techniques when we deem it appropriate, we cannot assure you that exchange rate fluctuations will not adversely affect our financial results in the future.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board, or FASB, issued SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," which was later amended by SFAS No. 137 "Accounting for Derivative Instruments and Hedging Activities -- Deferral of the Effective Date of FASB Statement No. 133." SFAS No. 133 established standards for the accounting and reporting for derivative instruments, including

certain derivative instruments embedded in other contracts, and hedging activities. The statement generally requires recognition of gains and losses on hedging instruments, based on changes in fair value or the earnings effect of a forecasted transaction. SFAS No. 133, as amended by SFAS No. 137, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. Management does not believe that SFAS No. 133 or SFAS No. 137 will have a material impact on the consolidated financial statements of the company.

In December 1999, the SEC issued Staff Accounting Bulletin No. 101 (SAB 101) entitled "Revenue Recognition," which outlines the basic criteria that must be met to recognize revenue and provides guidance for the presentation of revenue and for disclosure related to revenue recognition policies in financial statements filed with the SEC. The Company adopted the provisions of SAB 101 in these consolidated financial statements for all periods presented.

In March 2000, the FASB issued Interpretation No. 44, or FIN 44, entitled "Accounting for Certain Transactions Involving Stock Compensation," which is an interpretation of Accounting Principles Board No. 25, or APB 25. This interpretation clarifies:

- the definition of an employee for purposes of applying APB 25;
- the criteria for determining whether a plan qualifies as a noncompensatory plan;
- the accounting consequences of various modifications to the terms of a previously fixed stock option or award; and
- the accounting for an exchange of stock compensation awards in a business combination.

This interpretation is effective July 1, 2000. We believe that the adoption of FIN 44 will not have a material impact on our financial position or results of operations.

Overview

Resources Connection is a professional services firm that provides experienced accounting and finance, human resources management and information technology professionals to clients on a project-by-project basis. We assist our clients with discrete projects requiring specialized professional expertise in accounting and finance, such as mergers and acquisitions due diligence, financial analyses (e.g., product costing and margin analyses) and tax-related projects. In addition, we provide human resources management services, such as compensation program design and implementation, and information technology services, such as transitions of management information systems. We also assist our clients with periodic needs such as budgeting and forecasting, audit preparation and public reporting.

We were founded in June 1996 by a team at Deloitte & Touche, led by our current chief executive officer, Donald B. Murray, who was then a senior partner with Deloitte & Touche. Our other founding members include our current chief financial officer, Stephen J. Giusto, then also a partner, Karen M. Ferguson, the current managing director of our New York area practice, and David L. Schnitt, our former national director of information technology services. Our founders created Resources Connection to capitalize on the increasing demand for high-quality, outsourced professional services. We operated as a division of Deloitte & Touche from our inception in June 1996 until January 1997. From January 1997 until April 1999, we operated as an independent subsidiary of Deloitte & Touche. During these periods due to regulatory constraints applicable to us as part of a Big Five accounting firm, we were unable to provide certain accounting services to audit clients of Deloitte & Touche. In April 1999, we completed a management-led buyout. Subsequent to the management-led buyout, we were able to expand the scope of services we provide to our clients.

Our business model combines the client service orientation and commitment to quality of a Big Five accounting firm with the entrepreneurial culture of an innovative, high-growth company. We are positioned to take advantage of what we believe are two converging trends in the outsourced professional services industry: increasing demand for outsourced professional services by corporate clients, and increasing supply of professionals interested in working on an outsourced basis. We believe our business model allows us to offer challenging yet flexible career opportunities, attract highly qualified, experienced professionals and, in turn, attract clients.

As of August 26, 2000, we employed more than 1,050 professional service associates on assignment. Our associates, approximately 50% of whom are CPAs and approximately 28% of whom have MBAs, have an average of 18 years of professional experience. We offer our associates careers that combine the flexibility of project-based work with many of the advantages of working for a traditional professional services firm.

We established a growing and diverse client base of over 1,500 clients, ranging from large corporations to mid-sized companies to small entrepreneurial entities, in a broad range of industries. For example, our clients include 43 of the Fortune 100, which accounted for 9.0% of our revenues in fiscal 2000, and three of the Big Five accounting firms, which accounted for 4.1% of our revenues in fiscal 2000. We serve our clients through 38 offices in the United States and 3 offices abroad. We have grown revenues internally from $9.3 million in fiscal 1997 to $126.3 million in fiscal 2000, a three-year CAGR of 138% and our income from operations over the same period has increased from $869,000 to $15.6 million, a three-year CAGR of 162%. We have been profitable every year since our inception.

We believe our distinctive culture is a valuable asset and is in large part due to our management team which has extensive experience in the professional services industry. Virtually all of our senior management and office directors have Big Five experience and all of our management has an equity interest in our company. This team has created a culture of professionalism which we believe fosters in our associates a feeling of personal responsibility for, and pride in, client projects and enables us to deliver high-quality service to our clients.

Industry Background

Increasing Demand for Outsourced Professional Services

According to a study by Staffing Industry Analysts, Inc., the market for outsourcing of professionals, including information technology, accounting and finance, technical/engineering, medical and legal professionals, is large and growing, with revenues estimated to grow from $40.1 billion in 1999 to $65.6 billion in 2002, representing a CAGR of 17.8%. Accounting and finance professionals, according to the same study, represent one of the fastest growing segments of this market, with revenues estimated to grow from $7.2 billion in 1999 to $14.6 billion in 2002, representing a CAGR of 26.5%. We believe, based on our discussions with our clients, this growth is driven by the recognition that by outsourcing professionals, companies can:

- strategically access specialized skills and expertise;
- effectively supplement internal resources;
- increase labor flexibility; and
- reduce their overall hiring and training costs.

Typically, companies use a variety of alternatives to fill their project-based professional services needs. Companies outsource entire projects to consulting firms, which provides access to the expertise of the firm but often entails significant cost and less management control of the project. Companies also supplement their internal resources with employees from the Big Five accounting firms; however, these arrangements are on an ad hoc basis and have been increasingly limited by regulatory concerns. Companies use temporary employees from traditional and Internet-based staffing firms, who may be less experienced or less qualified than employees of professional services firms. Finally, some companies rely solely on their own employees who may lack the requisite time, experience or skills.

Increasing Supply of Project Professionals

Concurrent with the growth in demand for outsourced professional services, we believe, based on our discussions with our associates, that the number of professionals seeking to work on a project basis has increased due to a desire for:

- more flexible hours and work arrangements while maintaining competitive wages and benefits and a professional culture;
- challenging engagements that advance their careers, develop their skills and add to their experience base; and
- a work environment providing a diversity of, and more control over, client engagements.

The employment alternatives historically available to professionals may fulfill some, but not all, of an individual's career objectives. A professional working for a Big Five accounting firm or a consulting firm may receive challenging assignments and training, but may encounter a career path with less flexible hours and limited control over work engagements. Alternatively, a professional who works as an independent contractor faces the ongoing task of sourcing assignments and significant administrative burdens.

Resources Connection Solution

Resources Connection is positioned to capitalize on the confluence of these industry trends. We believe, based on our discussions with our clients, that Resources Connection provides clients seeking outsourced professionals with high-quality services because we are able to combine all of the following:

- a relationship-oriented approach to assess our clients' project needs;
- highly-qualified professionals with the requisite skills and experience;

- competitive rates on an hourly, instead of a per project, basis; and

- significant client control of their projects.

Resources Connection Strategy

Our Business Strategy

We are dedicated to providing highly-qualified and experienced accounting and finance, human resources management and information technology professionals to meet our clients' project-based and interim professional services needs. Our objective is to be the leading provider of these outsourced professional services. We have developed the following business strategies to achieve this objective:

- Hire and retain highly-qualified, experienced associates. We believe our highly-qualified, experienced associates provide us with a distinct competitive advantage. Therefore, one of our priorities is to continue to attract and retain high-caliber associates. We believe we have been successful in attracting and retaining qualified professionals by providing challenging work assignments, competitive compensation and benefits, and continuing education and training opportunities, while offering flexible work schedules and more control over choosing client engagements.

- Maintain our distinctive culture. Our corporate culture is central to our business strategy and we believe has been a significant component of our success. Our senior management, virtually all of whom are Big Five alumni, has created a culture that combines the commitment to quality and client service focus of a Big Five accounting firm with the entrepreneurial energy of an innovative, high-growth company. We seek associates and management with talent, integrity, enthusiasm and loyalty to strengthen our team and support our ability to provide clients with high-quality services. We believe that our culture has been instrumental to our success in hiring and retaining highly-qualified associates and, in turn, attracting clients.

- Build consultative relationships with clients. We emphasize a relationship-oriented approach to business rather than a transaction- or assignment-oriented approach. We believe the professional services experience of our management and associates enables us to understand the needs of our clients and to deliver an integrated, relationship-oriented approach to meeting their professional services needs. We regularly meet with our existing and prospective clients to understand their businesses and help them define their project needs. Once a project is defined, we identify associates with the appropriate skills and experience to meet the client's needs. We believe that by partnering with our clients to solve their professional services needs, we can generate new opportunities to serve them. The strength of our client relationships is demonstrated by the fact that 46 of our top 50 clients in fiscal 1999 remained clients in fiscal 2000.

- Build the Resources Connection brand. Our objective is to establish Resources Connection as the premier provider of project-based professional services. Our primary means of building our brand is by consistently providing high-quality value-added services to our clients. We have also focused on building a significant referral network through our more than 1,050 associates on assignment and more than 150 management employees, most of whom have established relationships with a number of potential clients. In addition, we have ongoing national and local marketing efforts which reinforce the Resources Connection brand.

Our Growth Strategy

All of our growth since inception has been internal. We believe we have significant opportunity for continued strong internal growth in our core business and will evaluate potential strategic acquisitions on an opportunistic basis. Key elements of our growth strategy include:

- Expanding work from existing clients. A principal component of our strategy is to secure additional project work from the more than 1,500 clients we served in fiscal 2000. Prior to the management-led buyout, we were unable to provide certain services to some of our clients due to regulatory constraints applicable to us as part of a Big Five accounting firm. Subsequent to the management-led

buyout, we were able to expand the scope of the services we provide to our clients. We believe, based on our discussions with our clients, that the amount of revenue we currently receive from most of our clients represents a relatively small percentage of the amount they spend on outsourced professional services, and that, consistent with industry trends, they will continue to increase the amount they spend on these services. We believe that by continuing to deliver high-quality services and by further developing our relationships with our clients, we will capture a significantly larger share of our clients' expenditures for outsourced professional services.

- Growing our client base. We will continue to focus on attracting new clients. In both fiscal 1999 and fiscal 2000, we increased our client base by over 500 new clients. We plan to develop new client relationships primarily by leveraging the significant contact networks of our management and associates and through referrals from existing clients. In addition, we believe we will attract new clients by building our brand name and reputation and through our national and local marketing efforts.

- Expanding geographically. We plan to expand geographically to meet the demand for outsourced professional services. We expect to add to our existing domestic office network with new offices strategically located to meet the needs of our existing clients and to create additional new client opportunities. We believe that there are also significant opportunities to grow our business internationally and, consequently, we intend to expand our international presence on a strategic and opportunistic basis.

- Providing additional professional services lines. We will continue to explore, and consider entry into, new professional services lines. Since fiscal 1999, we have diversified our professional services lines by entering into the human resources management and the information technology segments. Our considerations when evaluating new professional services lines include growth potential, profitability, cross-marketing opportunities and competition.

Associates

We believe that an important component of our success over the past four years has been our highly-qualified and experienced associates. As of August 26, 2000, we employed over 1,050 associates on assignment. Our associates have an average of 18 years of professional experience in a wide range of industries and functional areas; approximately 50% of our associates are CPAs and approximately 28% have MBAs. We provide our associates with challenging work assignments, competitive compensation and benefits, and continuing education and training opportunities, while offering flexible work schedules and more control over choosing client engagements.

Our associates are employees of Resources Connection. We pay each associate an hourly rate, pay overtime, and offer benefits, including paid vacation and holidays; referral bonus programs; group health, dental and life insurance programs each with an approximate 50% contribution by the associate; a matching 401(k) retirement plan; and professional development and career training. Typically, an associate must work a threshold number of hours to be eligible for all of the benefits. In June 2000, we launched a long-term, incentive plan for our associates, which affords them the opportunity to earn an annual cash bonus that vests over time. We intend to maintain competitive compensation and benefit programs.

Clients

We provide our services to a diverse client base in a broad range of industries. Since the beginning of fiscal 2000, we have served over 1,500 clients. Our revenues are not concentrated with any particular client or clients, or within any particular industry. In fiscal 2000, no single client accounted for more than 4% of our revenues and the top 10 clients accounted for approximately 13% of our revenues.

The clients listed below represent the geographic and industry diversity of our client base and accounted in the aggregate for approximately 7% of our revenues in fiscal 2000.

Air BP, a subsidiary of BP Amoco	Credit Suisse First Boston Corporation
Aventis Pharmaceuticals	Kaiser Permanente Insurance Company
Banc of America Securities LLC	Nordstrom
CB Richard Ellis	UCLA Medical Center

Services

Our current professional services capabilities include accounting and finance, human resources management and information technology. Our engagements are project-based and often last three months or longer.

Accounting and Finance

In fiscal 2000, we generated $118.8 million in revenue from providing accounting and finance services, representing 94.1% of our total revenues in that fiscal year. Types of these services include:

Special Projects: Our accounting and finance associates work on a variety of special projects including:

- financial analyses, such as product costing and margin analyses;
- tax-related projects, such as tax compliance and analysis of tax liabilities resulting from acquisitions; and
- resolving complex accounting problems, such as large out-of-balance accounts and unreconciled balances.

Sample Engagement: We have provided two associates over a 14-month period to assist the global operations and finance group of a major bank in establishing a cash management system which would be used to monitor its daily cash needs in U.S. dollars and various foreign currencies. Our associates were responsible for:

- reviewing the daily trades of foreign securities and projecting the surplus/shortfall for the various currencies resulting from these trades;
- recommending transfers, purchases of foreign currencies and borrowings; and
- redesigning and testing systems to accurately report foreign currency activities.

Mergers and Acquisitions: Our accounting and finance associates have assisted with the following functions for clients involved in mergers and acquisitions:

- due diligence work;
- integration of financial reporting and accounting systems; and
- public reporting filings associated with the transaction.

Sample Engagement: Since March 2000, we have provided 53 associates to assist with the post-acquisition integration of a multi-billion dollar solid waste management company. Our services were delivered through 19 of our offices with coordination provided by one of our offices. We assigned a specially designated project manager to oversee the delivery of our services, thereby facilitating project management and client control. Our associates were responsible for:

- performing controller responsibilities at various sites, including preparing internal financial statements, closing the general ledger and managing the accounting staff;
- restructuring the fixed asset reporting system;
- assisting with the transition of financial functions during the divestiture of solid waste facilities and closing of other facilities;

- assisting with converting the newly acquired facilities' systems to the parent's systems; and

- preparing fuel tax returns and related tax schedules.

Finance and Accounting System Implementation and Conversion: When a company implements a new system, the conversion often entails additional work that burdens management's time. To address this problem, we provide associates that:

- assist with the finance and accounting issues of system implementations; and

- maintain daily operations during the implementation and conversion process in order to minimize disruption to the organization.

Sample Engagement: We have provided 15 associates over a 14-month period to assist one of the world's largest energy groups in converting to a new proprietary accounting software system through operations worldwide, developing the relevant required software documentation and relocating its accounting and commercial services departments between two metropolitan areas. Our associates were responsible for:

- documenting and preparing a flowchart of the accounting system and existing business processes, practices and workflows;

- reviewing internal controls and developing an operations manual;

- documenting the new accounting system processes and procedures;

- performing pre- and post-conversion testing;

- hiring and training new employees; and

- designing training programs.

Periodic Accounting and Finance Needs: Our associates help clients with periodic needs such as:

- interim senior financial management, including controller or accounting manager tasks;

- monthly/quarterly/year-end closings;

- audit preparation;

- public reporting; and

- budgeting and forecasting.

Sample Engagement: We have provided 40 associates over a 19-month period to assist a multi-unit medical company, currently under reorganization, with a comprehensive review and clean-up of the company's consolidated balance sheet in preparation for their year-end audit. Our associates were responsible for:

- designing a work program and package format to be used by 23 associates in teams across six states;

- completing a detailed review of approximately 180 entities' balance sheets, compiling documentation, and obtaining support for the entire trial balance; and

- proposing adjusting entries and recommending subsequent internal accounting control system and procedure changes.

Assist Start-Ups: We provide accounting and finance professional services to start-up companies who do not yet have the appropriate management or staff to support their accounting and finance functions.

Sample Engagement: We have provided two associates over a nine-month period to assist an Internet incubator that provides services to start-up companies in setting up its accounting function. Our associates were responsible for:

- designing a scalable general ledger system to accommodate multiple entities;

- setting up the accounts payable system for all entities including check disbursements and wire transfers of funds;

- designing a system for processing semi-monthly payroll;

- developing cash receipts function including the performance of all treasury functions (collections, deposits, investments); and

- creating a model for projecting cash flows from individual entities.

Human Resources Management

Our human resources management professional services group was formed in June 1999. These services are currently available in nine of our offices. In fiscal 2000, we generated $2.3 million in revenue from our human resources management service line, representing 1.8% of our total revenues in that fiscal year. Types of services include:

- development of human resources management procedures, training and policies;

- compensation program design and implementation;

- interim senior human resources management; and

- assistance in complying with governmental employment regulations.

Sample Engagement: We have provided three associates over a three-month period to assist a leading provider of business information and related products and services with a number of projects. Our associates were responsible for:

- evaluating the existing human resources information system, or HRIS;

- reviewing vendors and implementing a new HRIS system;

- updating human resources policies and procedures to reflect consistent corporate policies across numerous acquired companies; and

- evaluating the various retirement benefits for each of the multiple subsidiaries and acquired companies.

Information Technology

Our information technology professional services group was formed in June 1998. These services are currently available in eight of our offices. In fiscal 2000, we generated $5.2 million in revenue from our information technology service line, accounting for 4.1% of our total revenues. Types of these services include:

- providing interim information technology management such as interim chief technology officers and chief information officers;

- leading systems selection process; and

- assisting with project management of information systems implementations, conversions and upgrades.

Sample Engagement: Resources Connection provided an interim chief information officer with significant foodservice operations/restaurant experience over a 21-month period to support a rapidly growing chain of upscale restaurants with 106 locations in 22 states. Our associate was responsible for:

- designing technology initiatives;

- establishing and maintaining an information technology department capable of supporting and delivering technology solutions;

- monitoring and guiding multiple project teams;

- communicating with various business units; and

- prioritizing projects and resources.

Operations

We generally provide our professional services to clients at a local level through our 41 offices, with the oversight and consultation of our corporate management team located in our corporate service center. The office director and client service manager in each office are responsible for initiating client relationships, providing associates specifically skilled to perform client projects, ensuring client satisfaction throughout engagements and maintaining client relationships post-engagement. Throughout this process, the corporate management team is available to consult with the office director with respect to client services.

Our offices are operated in a decentralized, entrepreneurial manner. Our office directors are given significant autonomy in the daily operations of their respective offices, and with respect to such offices, are responsible for overall guidance and supervision, budgeting and forecasting, sales and marketing, pricing and hiring. We believe that a substantial portion of the buying decisions made by our clients are made on a local or regional basis and that our offices most often compete with other professional services providers on a local or regional basis. Since our office directors are in the best position to understand the local and regional outsourced professional services market and clients often prefer local providers, we believe that a decentralized operating environment maximizes operating performance and contributes to employee and client satisfaction.

We believe that our ability to successfully deliver professional services to clients is dependent on our office directors working together as a collegial and collaborative team, at times working jointly on client projects. To build a sense of team effort and increase camaraderie among our office directors, we have an incentive program for our office management which awards annual bonuses based on both the performance of the company and the performance of the manager's particular office. In addition, each member of our office management owns equity in our company. We also have a management mentor program whereby each new office director is trained by an experienced office director, who is responsible for providing support to the new office director on an ongoing basis.

From our corporate headquarters in Costa Mesa, California, we provide our offices with centralized administrative, marketing, finance and legal support. Our financial reporting is centralized in our corporate service center. This center also handles billing, accounts payable and accounts receivable, and administers human resources including employee compensation and benefits. In addition, we have a corporate networked information technology platform with centralized financial reporting capabilities and a front office client management system. These centralized functions minimize the administrative burdens on our office management and allow them to spend more time focusing on client development.

Business Development

Our business development initiatives are comprised of:

- local sales initiatives focused on existing clients and target companies;
- brand marketing activities; and
- national and local direct mail programs.

Our business development efforts are driven by the networking and sales efforts of our management. The office director and client service manager in each of our offices develop a list of targeted potential clients and key existing clients. They are responsible for initiating and fostering relationships with the senior management of these companies. These local efforts are supplemented with national marketing assistance. We have a national business development director who, with our top executives, assists with major client opportunities. We believe that these efforts have been effective in generating incremental revenues from existing clients and developing new client relationships.

Our brand marketing initiatives help develop Resources Connection's image in the markets we serve. Our brand is reinforced by our professionally-designed website, brochures and pamphlets, direct mail and advertising materials. We believe that our branding initiatives coupled with our high-quality client service differentiate us from our competitors and establish Resources Connection as a credible and reputable professional services firm.

Our national marketing group develops our direct mail campaigns to focus on our targeted client and associate populations. These campaigns are intended to support our branding, sales and marketing, and associate hiring initiatives.

Competition

We operate in a competitive, fragmented market and compete for clients and associates with a variety of organizations that offer similar services. Our principal competitors include:

- consulting firms;
- loaned employees of the Big Five accounting firms;
- traditional and Internet-based staffing firms; and
- the in-house resources of our clients.

We compete for clients on the basis of the quality of professionals, the timely availability of professionals with requisite skills, the scope and price of services, and the geographic reach of services. We believe that our attractive value proposition, comprised of our highly-qualified associates, relationship-oriented approach, and professional culture, enables us to differentiate ourselves from our competitors. Although we believe we compete favorably with our competitors, many of our competitors have significantly greater financial resources, generate greater revenues and have greater name recognition than our company.

Employees

As of August 26, 2000, we had a total of 1,753 employees, including 237 corporate and office-level employees and 1,516 professional services associates. None of our employees is covered by a collective bargaining agreement.

Facilities

We maintain 38 domestic offices in the following metropolitan areas:

Phoenix, Arizona	Boise, Idaho	Charlotte, North Carolina
Costa Mesa, California	Chicago, Illinois (2 locations)	Cincinnati, Ohio
Los Angeles, California	Indianapolis, Indiana	Cleveland, Ohio
Santa Clara, California	Boston, Massachusetts	Portland, Oregon
San Diego, California	Baltimore, Maryland	Philadelphia, Pennsylvania
San Francisco, California	Detroit, Michigan	Pittsburgh, Pennsylvania
Denver, Colorado	Minneapolis, Minnesota	Austin, Texas
Hartford, Connecticut	St. Louis, Missouri	Dallas, Texas
Stamford, Connecticut	Las Vegas, Nevada	Houston, Texas (2 locations)
Orlando, Florida	Parsippany, New Jersey	San Antonio, Texas
Atlanta, Georgia	Princeton, New Jersey	Seattle, Washington
Honolulu, Hawaii	New York, New York	Washington, D.C.

Our corporate offices are located in the Costa Mesa, California office in a 16,366 square foot facility under a lease expiring in April 2005. We maintain three international offices: Toronto, Canada; Taipei, Taiwan; and Hong Kong, People's Republic of China.

We maintained an office in Wellington, New Zealand from June 1999 until its closure in July 2000. We closed the office because the Managing Director of the office left the company for personal reasons and we concluded that the business prospects in New Zealand did not warrant continuation of our office there.

Legal Proceedings

We are not currently subject to any material legal proceedings; however, we may from time to time become a party to various legal proceedings arising in the ordinary course of our business.

Executive Officers and Directors

The following table sets forth information about our executive officers and directors as of August 26, 2000:

Name	Age	Position
Donald B. Murray.....	53	Chairman of the Board of Directors, Chief Executive Officer, President and Director
Stephen J. Giusto.....	38	Chief Financial Officer, Executive Vice President of Corporate Development, Secretary and Director
Karen M. Ferguson.....	37	Executive Vice President and Director
Brent M. Longnecker.....	44	Executive Vice President
John D. Bower.....	39	Vice President, Finance
Kate W. Duchene.....	37	Chief Legal Officer, Executive Vice President of Human Relations and Assistant Secretary
David G. Offensend.....	47	Director
Ciara A. Burnham.....	33	Director
Gerald Rosenfeld.....	53	Director
Leonard Schutzman.....	53	Director
John C. Shaw.....	66	Director
C. Stephen Mansfield....	60	Director

Donald B. Murray. Mr. Murray co-founded Resources Connection in June 1996 and served as our Managing Director from inception until April 1999. Mr. Murray has served as our Chairman, Chief Executive Officer and President since the management buyout in April 1999. Prior to founding Resources Connection, Mr. Murray was Partner-In-Charge of Accounting and Assurance Services for the Orange County, California office of Deloitte & Touche, a professional services firm, from 1988 to 1996. From 1984 to 1987, Mr. Murray was the Partner-In-Charge of the Woodland Hills office of Touche Ross & Co., a predecessor firm to Deloitte & Touche, a professional services firm, an office he founded in 1984. Mr. Murray was admitted to the Deloitte & Touche partnership in 1983. Mr. Murray also serves on the board of Ledgent, Inc.

Stephen J. Giusto. Mr. Giusto co-founded Resources Connection in June 1996 and served as our National Director of Operations from inception until April 1999. Mr. Giusto has served as our Chief Financial Officer, Executive Vice President of Corporate Development and Secretary since April 1999. Mr. Giusto is also a director of Resources Connection, a position he has held since April 1999. Prior to founding Resources Connection, Mr. Giusto was in the Orange County real estate practice of Deloitte & Touche, a professional services firm, from 1992 to 1996. He also previously served for two years in the Deloitte & Touche national office in the Office of the Managing Partner. Mr. Giusto was admitted to the Deloitte & Touche partnership in 1996.

Karen M. Ferguson. Ms. Ferguson co-founded Resources Connection in June 1996. From inception to August 1998, Ms. Ferguson served as Managing Director of our Northern California practice. She currently serves as the Managing Director of our New York area practice and as an Executive Vice President, positions she has held since August 1998 and April 1999, respectively. Ms. Ferguson is also a director of Resources Connection, a position she has held since April 1999. Prior to joining us, Ms. Ferguson was a director with Accounting Solutions, a regional Northern California contract staffing firm from 1994 to 1995. From 1985 to 1994 Ms. Ferguson was in the San Francisco office of Deloitte & Touche, a professional services firm, most recently as a Senior Manager.

Brent M. Longnecker. Mr. Longnecker is as an Executive Vice President of Resources Connection, a position he has held since June 1999. From 1985 to 1999, Mr. Longnecker held various positions at KPMG and Deloitte & Touche, both of which are professional services firms, most recently as Partner-In-Charge of the performance management and compensation consulting practices at Deloitte & Touche. Mr. Longnecker also serves on the faculty of Certified Professional Education, Inc. and as a director of the Strategy Factory, Inc. and SkyAuction.com, Inc.

John D. Bower. Mr. Bower is our Vice President, Finance, a position he has held since April 1999. Mr. Bower served as our Director of Financial Reporting and Controller from January 1998 to April 1999. Mr. Bower served as Vice President, Finance of Mossimo, Inc., a clothing manufacturing company, from January 1997 to November 1997 and as Director, Finance for FHP International Corporation, a health maintenance organization, from June 1992 to January 1997. From 1982 through 1992, Mr. Bower worked in the Orange County, California office of Deloitte & Touche, a professional services firm, most recently as a Senior Manager.

Kate W. Duchene. Ms. Duchene is our Chief Legal Officer, a position she has held since December 1999. Ms. Duchene is also our Assistant Secretary and Executive Vice President, Human Relations, positions she has held since August 2000. Prior to joining Resources Connection, Ms. Duchene practiced law with O'Melveny & Myers LLP, a law firm, in Los Angeles, California, specializing in labor and employment matters. Ms. Duchene was with O'Melveny & Myers LLP from October 1990 through December 1999, most recently as a Special Counsel.

David G. Offensend. Mr. Offensend is a director of Resources Connection, a position he has held since April 1999. Mr. Offensend is one of the founding principals of Evercore Partners and a managing member of the general partner of Evercore Capital Partners L.P. Prior to founding Evercore Partners in 1995, Mr. Offensend was Vice President of Keystone Inc., the investment organization of Robert M. Bass. Prior to joining Keystone in 1990, Mr. Offensend was a Managing Director of Lehman Brothers, an investment bank, where he was President and Chief Executive Officer of the Lehman Brothers Merchant Banking Partnerships. Mr. Offensend is also a director of Specialty Products & Insulation Co.

Ciara A. Burnham. Ms. Burnham is a director of Resources Connection, a position she has held since April 1999. Since July 1997, she has been a managing director of Evercore Capital Partners LLP. From March 1996 to July 1997, Ms. Burnham was an equity research analyst with Sanford C. Bernstein & Co., an investment banking firm. From 1993 to 1996, she was employed by McKinsey & Co., a management consulting firm, in various capacities, including engagement manager. Ms. Burnham also serves on the board of directors of Skyauction.com, Inc.

Gerald Rosenfeld. Mr. Rosenfeld is a director of Resources Connection, a position he has held since April 1999. Mr. Rosenfeld is the Chief Executive Officer of Rothschild North America, an investment banking firm, a position he has held since January 2000. Previously, from November 1998 to January 2000, he was the Managing Member of G. Rosenfeld & Co. LLC, an investment banking and consulting firm. Prior to that time, Mr. Rosenfeld was Senior Managing Director of NationsBanc Montgomery Securities LLC, an investment banking firm, from April to November 1998, and a Managing Director and head of Investment Banking of Lazard Freres & Co. LLC, an investment banking firm, from 1992 to 1998. Mr. Rosenfeld is also a director of ContiGroup, Inc.

Leonard Schutzman. Mr. Schutzman is a director of Resources Connection, a position he has held since April 1999. From April 1999 to November 1999, Mr. Schutzman was a member of Venture Marketing Group LLC, a venture marketing firm. From 1976 to 1993, he held several positions at Pepsi-Co., Inc., a company involved in the snack food, soft drink and juice businesses, most recently as Senior Vice President and Treasurer. Mr. Schutzman also serves on the board of directors of BML Pharmaceutical, Inc. and SkyAuction.com, Inc. He is a member of the board of advisors of Evercore Capital Partners LLP.

John C. Shaw. Mr. Shaw is a director of Resources Connection, a position he has held since June 1999. Mr. Shaw currently also serves as a partner of The Shaw Group LLC, a general management and consulting company he founded in February 1997. From February 1997 to December 1999, Mr. Shaw served as the Dean of the Peter F. Drucker Graduate School of Management at Claremont Graduate University. In addition, from November 1994 to February 1997, Mr. Shaw served in the Office of the Chairman of Wellpoint Health Networks, Inc., a managed health care company.

C. Stephen Mansfield. Mr. Mansfield is a director of Resources Connection, a position he has held since August 2000. Mr. Mansfield is a lecturer at California Polytechnic State University, San Luis Obispo, a position he has held since 1999. From 1983 to 1989, Mr. Mansfield was the Partner-In-Charge of the Orange County office of Deloitte, Haskins & Sells, a professional services firm which was a predecessor firm to Deloitte & Touche. Mr. Mansfield retired from Deloitte & Touche LLP in 1990, as a senior partner. Mr. Mansfield is also a director of PBOC Holdings, Inc.

Board Composition

Upon the closing of this offering, in accordance with the terms of our amended and restated certificate of incorporation, the terms of office of our board of directors will be divided into three classes:

- Class I directors, whose term will expire at the annual meeting of stockholders to be held in 2001;
- Class II directors, whose term will expire at the annual meeting of stockholders to be held in 2002; and
- Class III directors, whose term will expire at the annual meeting of stockholders to be held in 2003.

Our Class I directors will be Ms. Ferguson, Mr. Mansfield and Mr. Schutzman, our Class II directors will be Ms. Burnham, Mr. Giusto and Mr. Shaw, and our Class III directors will be Mr. Murray, Mr. Offensend and Mr. Rosenfeld. Pursuant to a stockholders agreement between the company and certain entities affiliated with Evercore Partners L.L.C., or Evercore Partners, Donald B. Murray, Stephen J. Giusto, Karen M. Ferguson and Brent M. Longnecker, the company has agreed to nominate, and the stockholders have agreed to vote their shares in favor of, board nominees of Evercore Partners and the management stockholders. At each annual meeting of stockholders after the initial classification, the successors to directors whose terms will then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our board of directors may have the effect of delaying or preventing changes in control or management of our company.

Board Committees

At the time this offering closes, our board of directors will establish an audit committee. The audit committee will consist of Mr. Mansfield, Mr. Rosenfeld and Mr. Shaw. The audit committee, which will be composed solely of independent directors, will make recommendations to our board of directors regarding the selection of independent auditors, review the results and scope of the audit and other services provided by our independent auditors, and review and evaluate our audit and control functions.

We do not have a compensation committee and our board of directors makes all decisions concerning executive compensation. At the time this offering closes, our board of directors will establish a compensation committee consisting of the following directors: Mr. Offensend, Mr. Rosenfeld and Mr. Shaw. The compensation committee will make recommendations regarding our equity compensation plans and make decisions concerning salaries and incentive compensation for our employees and consultants.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee of our board of directors is an officer or employee of our company. No executive officer of our company serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our compensation committee.

Director Compensation

Our directors do not currently receive any cash compensation for services on our board of directors or any committee thereof, but directors have been reimbursed for expenses they incur in attending board and committee meetings. Mr. Shaw has participated in the 1999 Long-Term Incentive Plan.

After this offering, our compensation package for our non-employee directors will include:

- $12,000 per year to be paid in cash or discounted stock options;
- a one-time grant of 5,000 shares at the time a director joins the board;
- discretionary stock option grants; and
- reimbursement for expenses they incur in attending board and committee meetings.

Directors who serve on committees may receive a flat fee of $300 per committee meeting attended as well.

Executive Compensation

Summary of Compensation

The following table sets forth summary information concerning compensation awarded to, earned by, or accrued for services rendered to us in all capacities during fiscal 2000 by our Chief Executive Officer and the five other most highly compensated officers whose total salary and bonuses exceeded $100,000 in fiscal 2000. The individuals listed in the table below are collectively referred to as the named executive officers.

Summary Compensation Table

	Annual Compensation			
Name and Principal Position	Salary	Bonus	Other	Total
Donald B. Murray, Chief Executive Officer	$425,000	$212,500(1)	$ 0	$637,500
Stephen J. Giusto, Chief Financial Officer	$250,000	$125,000(1)	$ 0	$375,000
Karen M. Ferguson, Executive Vice President	$200,000	$130,000(2)	$ 0	$330,000
Brent M. Longnecker, Executive Vice President	$300,000	$150,000(2)	$50,000(3)	$500,000
John D. Bower, Vice President, Finance	$ 99,039	$ 62,800(1)	$ 0	$161,839
David L. Schnitt, former National Director of Information Technology Services(4)	$126,922	$ 64,000(2)	$ 0	$190,922

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(1) Consists of bonuses earned in fiscal 2000 and paid in fiscal 2001.

(2) Consists of bonuses earned in fiscal 2000 and paid in part in fiscal 2000 and in part in fiscal 2001.

(3) In May 1999, Mr. Longnecker received a loan in the amount of $200,000 from the company. On January 1, 2000, Resources Connection forgave $50,000 of the loan.

(4) Mr. Schnitt served as our National Director of Information Technology Services from April 1999 to April 2000. He is currently on an unpaid leave of absence from Resources Connection and is serving as the chief executive officer of Ledgent, Inc.

Stock Options and Long-Term Incentive Awards

No options or long-term incentive awards were granted to named executive officers during fiscal 2000.

Exercise of Options And Year-End Values

No stock options have been exercised since our inception.

Employee Benefit Plans

1998 Employee Stock Purchase Plan

In December 1998, we adopted the Resources Connection, Inc. 1998 Employee Stock Purchase Plan, or the 1998 Employee Stock Purchase Plan, to provide an additional means to attract, motivate, reward and retain officers and management-level employees. The plan gives the administrator the authority to grant awards to select participants. We do not, however, anticipate granting any additional awards under the 1998 Employee Stock Purchase Plan. The following summary is qualified by reference to the complete plan, which is filed hereto as an exhibit.

Share Limits. A total of 5,630,000 shares of our common stock may be issued under the plan (not including shares that are repurchased by us which upon repurchase become again available for issuance). This share limit and the number of shares subject to each award under the plan is subject to adjustment for certain changes in our capital structure, reorganizations and other extraordinary events.

Awards. An award under the plan gives the participant the right to acquire a specified number of shares of our common stock, at a specified price, for a limited period of time. Officers and management-level employees of Resources Connection, Inc. may be selected to receive awards under the plan. The purchase price for each share of stock acquired under the plan must be at least 85% (100% in the case of an owner of 10% or more of the voting stock of Resources Connection, Inc.) of the fair market value of the stock on the date the related award was granted. Awards under the plan generally are nontransferable. The stock purchased on exercise of an award generally will be subject to a vesting schedule--20% of the shares of stock purchased on exercise of the award generally will vest each year following the exercise of the award and the shares will fully vest on the fifth anniversary of the participant's hire date with Resources Connection. If the participant's employment terminates before his or her stock is fully vested, we generally may repurchase the unvested stock for the price that participant paid to acquire the stock. The administrator may accelerate the vesting of stock acquired under the plan in the event of a change in control.

Administration. A committee of one or more directors appointed by the board will administer the plan. The administrator of the plan has broad authority to approve awards and determine the specific terms and conditions of awards, and construe and interpret the plan. Our board of directors may amend, suspend or discontinue the plan at any time. Plan amendments will generally not be submitted to stockholders for their approval unless applicable law requires such approval.

Certain Specific Awards. As of October 13, 2000, 5,630,000 shares had been acquired under the plan, of which 1,903,600 had become vested and 3,726,400 were not yet vested, no shares were subject to outstanding but unexercised awards, and no shares remained available for award purposes under the plan.

1999 Long-Term Incentive Plan

In June 1999, our board of directors adopted the 1999 Long-Term Incentive Plan to provide an additional means to attract, motivate, reward and retain key personnel. The plan was approved by our stockholders on June 17, 1999. The plan gives our board of directors, or a committee appointed by our board of directors, the authority to determine who may participate in the plan and to grant different types of stock incentive awards. Employees, officers, directors, and consultants of Resources Connection or one of our subsidiaries may be selected to receive awards under the plan. The following summary is qualified by reference to the complete plan, which is filed hereto as an exhibit.

Share Limits. We initially reserved a total of 2,340,000 shares of our common stock for issuance under the plan. In August 2000, we increased this number to 5,040,000 shares. The aggregate number of shares subject to stock options and stock appreciation rights granted under the plan to any one person in a calendar year cannot exceed 200,000 shares.

Awards. Awards under the plan may be in the form of nonqualified stock options, incentive stock options, stock appreciation rights, or SARs, limited stock appreciation rights or SARs limited to specific events, such as in a change in control or other special circumstances, restricted stock, performance share awards, or stock bonuses. Awards under the plan generally will be nontransferable.

Nonqualified stock options and other awards may be granted at prices below the fair market value of the common stock on the date of grant. Restricted stock awards can be issued for nominal or the minimum lawful consideration. Incentive stock options must have an exercise price that is at least equal to the fair market value of the common stock, or 110% of fair market value of the common stock for any 10% owners of our common stock, on the date of grant. These and other awards may also be issued solely or in part for services.

Administration. Our board of directors, or a committee of directors appointed by the board, has the authority to administer the plan. The administrator of the plan has broad authority to:

- designate recipients of awards;
- determine or modify, subject to any required consent, the terms and provisions of awards, including the price, vesting provisions, terms of exercise and expiration dates;
- approve the form of award agreements;
- determine specific objectives and performance criteria with respect to performance awards;
- construe and interpret the plan; and
- reprice, accelerate and extend the exercisability or term, and establish the events of termination or reversion of outstanding awards.

Change in Control. Upon a change in control event, the compensation committee may provide that each option and stock appreciation right will become immediately vested and exercisable, each award of restricted stock will immediately vest free of restrictions, and each performance share award will become payable to the holder of the award. Generally speaking, a change in control event will be triggered under the plan:

- upon stockholder approval of our dissolution or liquidation;
- upon stockholder approval of the sale of all or substantially all of our assets to an entity that is not an affiliate;
- upon stockholder approval of a merger, consolidation, reorganization, or sale of all or substantially all of our assets in which any person becomes the beneficial owner of 50% or more of our outstanding common stock.

Plan Amendment, Termination and Term. Our board of directors may amend, suspend or discontinue the plan at any time, but no such action will affect any outstanding award in any manner materially adverse to a participant without the consent of the participant. Plan amendments will be submitted to stockholders for their approval as required by applicable law.

The plan will terminate on June 16, 2009; however, the committee will retain its authority until all outstanding awards are exercised or terminated. The maximum term of options, SARs and other rights to acquire common stock under the plan is ten years after the initial date of the award, subject to provisions for further deferred payment in certain circumstances.

Payment for Shares. The exercise price of options or other awards may generally be paid in cash or, subject to certain restrictions, shares of our common stock. Subject to any applicable limits, we may finance or offset shares to cover any minimum withholding taxes due in connection with an award.

Federal Tax Consequences. The current federal income tax consequences of awards authorized under the plan follow certain basic patterns. Generally, awards under the plan that are includable in the income of the

recipient at the time of exercise, vesting or payment (such as nonqualified stock options, stock appreciation rights, restricted stock and performance awards), are deductible by Resources Connection, and awards that are not required to be included in the income of the recipient (such as incentive stock options) are not deductible by Resources Connection.

Generally speaking, Section 162(m) of the Internal Revenue Code provides that a public company may not deduct compensation (except for certain compensation that is commission or performance-based) paid to its chief executive officer or to any of its four other highest compensated officers to the extent that the compensation paid to such person exceeds $1,000,000 in a tax year. The regulations exclude from these limits compensation that is paid pursuant to a plan in effect prior to the time that a company is publicly held. We expect that compensation paid under the plan will not be subject to Section 162(m) in reliance on this transition rule, as long as such compensation is paid (or stock options, stock appreciation rights, and/or restricted stock awards are granted) before the earlier of a material amendment to the plan or the annual stockholders meeting in the year 2004.

In addition, we may not be able to deduct certain compensation attributable to the acceleration of payment and/or vesting of awards in connection with a change in control event should that compensation exceed certain threshold limits under Section 280G of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code.

Certain Specific Awards. As of October 13, 2000, 2,082,500 shares of common stock were subject to outstanding options granted under the plan, 115,500 of which had vested and 1,967,000 of which were unvested, and 2,957,500 shares of common stock remained available for grant purposes under the plan. The outstanding options were granted for 10-year terms and at exercise prices between $3.00 and $12.00 per share. The shares covered by currently outstanding options represent the 10-year stock option grants authorized by our board of directors on June 17, 1999.

Employee Stock Purchase Plan

On October 17, 2000, our board of directors adopted our Employee Stock Purchase Plan to provide certain of our employees (and the employees of certain of our participating subsidiaries) with an incentive to advance the best interests of the company by providing a method whereby they may voluntarily purchase our common stock at a favorable price and upon favorable terms. We expect our stockholders to approve this plan prior to the offering. Generally, all of our officers and employees who have been employed by us for at least 90 days, who are regularly scheduled to work more than 10 hours per week, and who are customarily employed more than five months per year are eligible to participate in the plan. The plan becomes effective upon the consummation of the offering.

Operation. The plan generally operates in successive six-month periods, or offering periods, commencing on each January 1 and July 1. It is expected that the first offering period under the plan will commence either in connection with the initial public offering or on January 1, 2001.

On the first day of each offering period, or grant date, each employee eligible to participate in the plan who has timely filed a valid election to participate for that offering period will be granted an option to purchase shares of our common stock. A participant must designate in his or her election the percentage of his or her compensation (subject to certain limits in the plan and limits under the Internal Revenue Code) to be withheld from his or her pay during that offering period on an after-tax basis and credited to a bookkeeping account maintained under the plan in his or her name.

Each option granted with respect to an offering period will automatically be exercised on the last day of that offering period, or the exercise date. The number of shares of our common stock acquired by the holder of the option will be determined by dividing the participant's plan account balance as of the exercise date by the option price.

Generally, a participant's plan participation will terminate during an offering period, and his or her plan account balance will be paid to him or her in cash, if the participant elects a withdrawal of his of her contributions or if the participant's employment by us or one of our participating subsidiaries terminates.

Authorized Shares; Limits on Contributions. The maximum aggregate number of shares of our common stock available under the plan is 1,200,000 shares. As required by the Internal Revenue Code, a participant can not purchase more than $25,000 of stock (valued at the start of the applicable offering period) under the plan in any one calendar year. In the event of a merger, consolidation, recapitalization, stock split, stock dividend, combination of shares, or other change affecting our common stock, a proportionate and equitable adjustment will be made to the number of shares subject to the plan and outstanding plan options.

Administration. The plan will be administered by our board of directors or a committee appointed by our board of directors. The plan administrator is currently the compensation committee of our board of directors. The plan will not limit the authority of our board of directors or the compensation committee to grant awards or authorize any other compensation, with or without reference to our common stock, under any other plan or authority.

Amendment or Termination of the Employee Stock Purchase Plan. Our board of directors may amend, modify or terminate the plan at any time and in any manner, provided that the existing rights of participants are not materially adversely affected thereby. Stockholder approval for any amendment will only be required to the extent necessary to meet the requirements of Section 423 of the Internal Revenue Code or to the extent otherwise required by law. Unless previously terminated by our board of directors, no new offering periods will commence on or after October 16, 2010 or, if earlier, when no shares remain available for options under the plan.

Federal Tax Consequences. Participant contributions to the plan are made on an after-tax basis. Generally, no taxable income will be recognized by a participant as of either the grant date or the exercise date of an option. A participant will generally recognize income (or loss) upon a sale or disposition of the shares acquired under the plan. The company generally will not be entitled to a federal income tax deduction with respect to any shares that are acquired under the Employee Stock Purchase Plan.

401(k) Plan

Resources Connection has a defined contribution 401(k) plan which covers all employees who have completed three months of service and are age 21 or older. Participants may contribute up to 15% of their annual salary or the maximum allowed by statute. As defined in the plan agreement, the company may make matching contributions in such amount, if any, up to 6% of employees' annual salaries. We may, at our sole discretion, determine the matching contribution made from year to year. To receive a matching contribution, an employee must be employed by us on the last day of the fiscal year.

Employment Agreements

We have entered into employment agreements with Mr. Murray, Mr. Giusto, Ms. Ferguson and Mr. Longnecker. Certain aspects of these employment agreements are specific to the agreement:

Mr. Murray. Pursuant to his employment agreement, Mr. Murray serves as our Chief Executive Officer and receives an annual base salary of $442,000, increased in September 2000 from an initial annual base salary of $425,000. The employment agreement has an initial term ending on March 31, 2004. If any payment Mr. Murray receives pursuant to his employment agreement is deemed to constitute "excess parachute payment" under Section 280G of the Internal Revenue Code, or compensation subject to excise tax under Section 4999 of the Internal Revenue Code, Mr. Murray is entitled to an excise tax gross-up payment not to exceed $1.0 million.

Mr. Giusto. Pursuant to his employment agreement, Mr. Giusto serves as our Chief Financial Officer and receives an annual base salary of $260,000, increased in September 2000 from an initial annual base salary of $250,000. The employment has an initial term ending on March 31, 2002.

Ms. Ferguson. Pursuant to her employment agreement, Ms. Ferguson serves as an Executive Vice President and receives an annual base salary of $250,000, increased in June 2000 from an initial annual base salary of $200,000. The employment has an initial term ending on March 31, 2002. If Ms. Ferguson is terminated without cause, in addition to the severance payment described below, she will also receive reimbursement for her relocation expenses up to $100,000.

Mr. Longnecker. Pursuant to his employment agreement, Mr. Longnecker serves as an Executive Vice President and receives an annual base salary of $312,000, increased in September 2000 from an initial annual base salary of $300,000. The employment has an initial term ending on April 30, 2002. If any payment Mr. Longnecker receives pursuant to his employment agreement is deemed to constitute "excess parachute payment" under Section 280G of the Internal Revenue Code, Mr. Longnecker is entitled to an excise tax gross-up payment not to exceed $750,000. Pursuant to his employment agreement, on May 1, 1999, we loaned $200,000 to Mr. Longnecker as further described in "Related-Party Transactions."

Each of the above-described employment agreements has the following uniform terms:

Automatic Renewal. Upon termination of the initial term of the employment agreement, the agreement will automatically renew for one year periods unless we or the employee or Resources Connection elect not to extend the agreement.

Termination Without Cause or Good Reason Resignation by Employee. In the event we do not renew the agreement or the employee is terminated other than for cause as defined in the agreement to include, among other things, conviction of a felony, fraudulent conduct, failure to perform duties or observe covenants of the agreement, or theft, or if the employee terminates his or her employment for "good reason" defined in the agreement to include, among other reasons, a change in control, the employee will receive severance pay which includes:

- any accrued but unpaid base salary as of the date of the employee's termination;
- the earned but unpaid annual bonus, if any;
- the target annual incentive compensation, if any, that the employee would have been entitled to receive pursuant to the employment agreement in respect of the fiscal year in which the termination occurs; and
- the employee's then current base salary multiplied by the greater of either (1) two, for Mr. Giusto and Ms. Ferguson, or three, for Mr. Murray and Mr. Longnecker, and (2) the number of years (including fractions) remaining in the initial term of the agreement.

The employment agreements also provide that the employee shall be entitled to receive employee benefits to which the employee may be entitled under the employee benefit plans and continued participation in our group health insurance plans at our expense until the earlier of three years from the date of termination or the employee's eligibility for participation in the group health plan of a subsequent employer.

Indemnification of Directors and Executive Officers and Limitation on Liability

Our Amended and Restated Bylaws provide that we shall indemnify our directors and officers and may indemnify our other employees and agents to the fullest extent permitted by Delaware law, except with respect to proceedings initiated by these persons. We are also empowered under our bylaws to enter into indemnification contracts with our directors and officers and to purchase insurance on behalf of any person we are required or permitted to indemnify.

In addition, our Amended and Restated Bylaws provide that our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, except for liability:

- for any breach of the director's duty of loyalty to us or its stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law; or
- for any transaction from which the director derives an improper personal benefit.

RELATED-PARTY TRANSACTIONS

The following is a description of transactions:

- to which we have been a party during the last three years;
- in which the amount involved exceeds $60,000; and
- in which any director, executive officer or holder of more than 5% of our capital stock had or will have a direct or indirect material interest.

You should also review certain arrangements with our executive officers that are described under "Management."

Registration Rights and Board Representation of Evercore and Management.

Pursuant to a Stockholders Agreement between the company and certain entities affiliated with Evercore Partners L.L.C., or Evercore Partners, Donald B. Murray, Stephen J. Giusto, Karen M. Ferguson and Brent M. Longnecker, the stockholders have agreed to vote their shares in favor of board nominees of Evercore Partners and the management stockholders that each of the Evercore Partners and the management stockholders are initially entitled to nominate. As Evercore Partners' percentage ownership in the company decreases, so does the number of directors it can nominate to the board. As the management stockholders' percentage ownership in the company decreases, so does the number of directors they can nominate to the board. The rights of either Evercore Partners or the management stockholders will terminate when that group owns less than 7.5% of the outstanding shares of common stock of the company. The company has agreed to take such action as may be required to cause the board to consist of the number of directors specified in the Stockholders Agreement.

Pursuant to the Stockholders Agreement, Evercore Partners and the management stockholders each have the right to demand that the company register their shares of common stock of the company three times; provided that the board of directors of the company has the right to postpone a demand registration in certain circumstances. The company has agreed to pay for two demand registrations of each of Evercore Partners and the management stockholders.

In addition, if after a public offering of our shares of common stock we propose to register our common stock under the Securities Act, Evercore Partners, Richard Gersten, Paul Lattanzio, Gerald Rosenfeld, Mainz Holdings Ltd., DB Capital Investors, LP, BancBoston Investments Inc., management stockholders and certain employee stockholders are entitled to notice of the registration and to include their shares of our common stock in that offering. The underwriters have the right to limit the number of shares included in the registration in their discretion.

All holders with registration rights have agreed not to exercise their registration rights until 180 days following the date of this prospectus unless both Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc. agree otherwise. After this offering, the following directors, officers and holders of 5% or more of our outstanding shares will have registration rights with respect to the shares identified below:

Name	Number of Registrable Shares of Common Stock
Donald B. Murray	1,505,290
Stephen J. Giusto	420,000
Entities affiliated with Evercore Capital Partners L.L.C.	6,387,370

Longnecker Loan.

Pursuant to our employment agreement with Mr. Longnecker, on May 1, 1999, we loaned $200,000 to Mr. Longnecker. The loan is interest-free and matures on April 1, 2007. On January 1, 2000, $50,000 of the

loan was forgiven as a portion of Mr. Longnecker's compensation. As of October 13, 2000, the outstanding balance of the loan was $150,000. Additional amounts may be forgiven at the discretion of our chief executive officer. If Mr. Longnecker is terminated for cause, as defined in his employment agreement, or terminates his employment without good reason, as defined in his employment agreement, all remaining loan amounts owed will be due and payable.

Sale of Shares Pursuant to the 1998 Employee Stock Purchase Plan.

In November 1998, we formed RC Transaction Corp., renamed Resources Connection, Inc. In December 1998, we issued 5,243,000 shares of our common stock pursuant to the 1998 Employee Stock Purchase Plan to certain members of our management for an aggregate purchase price of $52,430. Between January and February 1999, we issued and sold the remaining 387,000 shares of our common stock to certain members of our management for an aggregate purchase price of $3,870. Directors and officers who participated in these transactions include:

Name	Number of Shares of Common Stock Acquired
Donald B. Murray	1,450,600
Stephen J. Giusto	400,000
Karen M. Ferguson	355,000
Brent M. Longnecker	200,000
John D. Bower	70,000
Kate W. Duchene	20,000

Management-led Buyout.

In April 1999, we entered into a series of transactions pursuant to which we purchased all of the membership units of Resources Connection LLC from Deloitte & Touche. We financed the purchase in part with capital provided by our management and an investor group led by Evercore Capital Partners L.L.C. and certain of its affiliates. We issued and sold 9,855,260 shares of our Common Stock and 144,740 shares of our Class B Common Stock to 22 accredited investors and 30 additional investors. Simultaneously, we issued and sold subordinated notes, bearing 12% annual interest with a maturity date of April 15, 2004, in an aggregate principal amount of $22.0 million to the same investors. We intend to use the proceeds of this offering to prepay the outstanding principal and all accrued and unpaid interest on the notes. Stockholders owning 5% or more of our outstanding shares, directors and officers who participated in these transactions include:

Name	Number of Shares of Common Stock Acquired	Number of Shares of Class B Common Stock Acquired	Aggregate Principal Amount of Subordinated Notes Acquired
Donald B. Murray	54,690	0	$ 120,318
Stephen J. Giusto	20,000	0	$ 44,000
Brent M. Longnecker	75,000	0	$ 165,000
John D. Bower	4,690	0	$ 10,318
Gerald Rosenfeld	185,010	0	$ 239,990
Entities affiliated with Evercore Capital Partners L.L.C.	7,742,630	144,740	$17,889,654

Joint Marketing Agreement with and Investment in Ledgent

In September 2000, we entered into a Joint Marketing Agreement with Complete BackOffice.com, Inc., later renamed Ledgent, Inc. Ledgent is a privately held corporation engaged in the business of outsourcing complete accounting and human resources functions over the Internet. Our agreement with Ledgent is to cooperate in the promotion of each party's services to both new and existing customers. To that end, we have agreed to provide our customer list and marketing databases to Ledgent in exchange for its customer list and marketing databases.

We have also agreed to provide the Ledgent sales staff with office space and administrative staff and support for one year from the date of the agreement at no cost to Ledgent. In addition, both parties agree not to compete with the business of the other party during the term of the agreement, the initial term of which is two years. The agreement also contemplates a referral service whereby we receive 1% of the gross profits generated by Ledgent during the first year of a client relationship that results from one of our leads, and Ledgent receives 1% of the gross profits generated by us during the first year of a client relationship that results from one of its leads.

We and several of our stockholders, including some members of our management team, own collectively, a 13.4% indirect interest in Ledgent through our majority-owned subsidiary, which we control. We own 57% of the subsidiary, Donald B. Murray, our chief executive officer, owns 4.9% of the subsidiary and our executive officers, other than Mr. Murray, collectively own 3.7% of the subsidiary. Entities affiliated with Evercore Partners L.L.C. collectively own 25.7% of the subsidiary.

Our subsidiary has the right to designate one director to serve on the board of directors of Ledgent. Donald B. Murray, our Chief Executive Officer, is currently serving as the designee.

Options Granted to Our Chief Legal Officer and Executive Vice President, Human Relations

In December 1999, we granted Ms. Duchene options to purchase up to 50,000 shares of our common stock at an exercise price of $3.00 per share. The options vest 25% each year on the anniversary date of the grant. At the initial offering price, the aggregate value of these options, less aggregate exercise price, is $500,000.

Relationship Between Our Financial Printing Company and Our Chief Legal Officer/Executive Vice President, Human Relations.

In connection with this offering, we have hired R.R. Donnelley Financial Printing, or Donnelley, to provide printing and related services. We estimate that the total amount we will pay to Donnelley for its services in connection with this offering will be $265,000. The spouse of Ms. Duchene is employed by Donnelley. We may engage Donnelley in the future to provide additional printing and related services.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table contains information about the beneficial ownership of our common stock before and after our initial public offering for:

- each person who beneficially owns more than five percent of the common stock;
- each of our directors;
- each named executive officer and each executive officer;
- all directors, named executive officers and executive officers as a group; and
- all selling stockholders.

Unless otherwise indicated, the address for each person or entity named below is c/o Resources Connection, Inc., 695 Town Center Drive, Suite 600, Costa Mesa, California 92626.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Except as indicated by footnote, and except for community property laws where applicable, the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. The table assumes no exercise of the underwriters' over-allotment option. If the underwriters' over-allotment option is exercised in full, the selling stockholders will sell up to an aggregate of additional shares of common stock on a pro rata basis. The percentage of beneficial ownership before the offering is based on 15,630,000 shares of common stock outstanding as of October 13, 2000.

	Number of Shares Beneficially Owned		Percentage of Shares Outstanding		
	Before Offering	After Offering	Before Offering	After Offering	Number of Shares to be Sold in Offering
Donald B. Murray(1)(2)..	1,505,290	1,505,290	9.63%	7.30%	--
Stephen J. Giusto(2)(3)	420,000	420,000	2.69%	2.04%	--
Karen M. Ferguson.....	355,000	355,000	2.27%	1.72%	--
Brent M. Longnecker(2)..	275,000	275,000	1.76%	1.33%	--
John D. Bower.....	74,690	74,690	*	*	--
Kate W. Duchene(4).....	32,500	32,500	*	*	--
David G. Offensend(5)...	--	--	*	*	--
Ciara A. Burnham(5).....	--	--	*	*	--
Gerald Rosenfeld(6).....	185,010	153,908	1.18%	0.75%	31,102
Leonard Schutzman(5)....	--	--	*	*	--
John C. Shaw(7).....	7,500	7,500	*	*	--
C. Stephen Mansfield....	--	--	*	*	--
David L. Schnitt(8).....	276,250	276,250	1.77%	1.34%	--
Named Executive Officers, Executive Officers and Directors as a group (11 persons).....	3,131,240	3,100,138	19.94%	15.03%	31,102
Evercore Partners L.L.C.(9).....	7,887,370	6,561,441	50.46%	31.81%	1,325,929
BancBoston Investments Inc.(10).....	382,480	318,182	2.45%	1.54%	64,298
Mainz Holdings Ltd.(11).....	370,030	307,825	2.37%	1.49%	62,205
Richard D. Gersten(12)..	10,880	9,051	*	*	1,829
Paul S. Lattanzio(13)...	87,070	72,433	*	*	14,637

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* Represents less than 1%.

(1) Includes shares owned by Mr. Murray and shares beneficially owned by Mr. Murray in The Murray Family Trust, Donald B. Murray, Trustee; Murray Fam Income TR312000 Shimizu Ronadl J Ttee; Patrick Murray, Sr. as Custodian for Patrick Murray, Jr. until age 21 under the CUTMA; and Brian Murray.

(2) Messrs. Murray, Giusto and Longnecker have granted the underwriters an option to purchase up to 153,846 of their shares as part of the 30-day option to purchase up to 975,000 shares the selling stockholders have granted to the underwriters to cover over-allotments.

(3) Includes shares owned by Mr. Giusto and beneficially owned by Mr. Giusto in The Giusto Family Income Trust dated 9/12/2000, Michael J. Giusto, trustee.

(4) Ms. Duchene has 12,500 shares of common stock subject to options exercisable within 60 days of October 13, 2000.

(5) David G. Offensend, a managing member of Evercore Partners L.L.C., may be deemed to share beneficial ownership of any shares beneficially owned by Evercore Partners L.L.C., but hereby disclaims such beneficial ownership, except to the extent of his pecuniary interest in the Evercore Investors or Evercore Partners L.L.C. Ciara A. Burnham and Leonard Schutzman are director nominees and are executives of, or consultants to, Evercore Partners, Inc. Ms. Burnham and Mr. Schutzman each may be deemed to share beneficial ownership of any shares beneficially owned by Evercore Partners L.L.C., but hereby disclaims beneficial ownership of any shares beneficially owned by Evercore Partners L.L.C., except to the extent of his or her pecuniary interest in the Evercore Investors or Evercore Partners L.L.C. The address for Mr. Offensend, Ms. Burnham and Mr. Schutzman is c/o Evercore Partners L.L.C., 65 East 55th Street, 33rd Floor, New York, New York 10022

(6) Includes shares owned by Mr. Rosenfeld and shares beneficially owned by Mr. Rosenfeld in the Rosenfeld August 2000 GRAT. Mr. Rosenfeld's address is c/o Rothschild Inc., 1251 Avenue of the Americas, New York, New York 10020.

(7) Mr. Shaw has been a director of Resources Connection since June 1999. Mr. Shaw has 7,500 shares of common stock subject to options exercisable within 60 days of October 13, 2000. Mr. Shaw's address is The Shaw Group LLC, P.O. Box 3369, Newport Beach, California 92659.

(8) Mr. Schnitt's address is c/o Ledgent, Inc., 1111 Knox Street, Torrance, California 90502.

(9) Shares shown as owned by Evercore Partners L.L.C. are the aggregate number of shares owned of record by Evercore Capital Partners L.P., Evercore Capital Partners (NQ) L.P., Evercore Capital Offshore Partners L.P. and Evercore Co-Investment Partnership L.P., or, collectively, the Evercore Investors. Evercore Partners L.L.C. is directly or indirectly the general partner of each of the Evercore Investors. The address for Evercore Partners L.L.C. is 65 East 55th Street, 33rd Floor, New York, New York 10022.

(10) BancBoston Investments Inc. has been a stockholder of Resources Connection since April 1999 and acquired its shares in connection with the management-led buyout. The address for BancBoston Investments Inc. is 175 Federal Street, Boston, Massachusetts 02110. BancBoston Investments Inc. is an affiliate of Fleet National Bank, formerly known as BankBoston, N.A. Fleet National Bank is one of the primary lenders to Resources Connection under its credit agreement.

(11) Mainz Holdings has been a stockholder of Resources Connection since April 1999 and acquired its shares in connection with the management-led buyout. The address for Mainz Holdings is UMS Universal Management Services, 6 Rue du Nant, P.O. Box 6184, 1211 Geneva 6, Switzerland.

(12) Mr. Gersten has been a stockholder of Resources Connection since April 1999 and acquired his shares in connection with the management-led buyout. Mr. Gersten's address is c/o North Castle Partners, LLC, 60 Arch Street, Greenwich, Connecticut 06830.

(13) Mr. Lattanzio has been a stockholder of Resources Connection since April 1999 and acquired his shares in connection with the management-led buyout. Mr. Lattanzio's address is c/o TD Capital, 31 W. 52nd Street, New York, New York 10019.

DESCRIPTION OF CAPITAL STOCK

Prior to the closing of this offering and the filing of our amended and restated certificate of incorporation, our authorized capital stock consists of 35,000,000 shares of common stock, $0.01 par value per share, and 5,000,000 shares of preferred stock, $0.01 par value per share. Our common stock is divided into three classes, Common Stock, of which there are 25,000,000 shares designated and 15,485,260 shares issued and outstanding; Class B Common Stock, of which there are 3,000,000 shares designated and 144,740 shares issued and outstanding; and Class C Common Stock, of which there are 7,000,000 shares designated and no shares issued and outstanding. We have issued options to purchase 2,082,500 shares of our Class C Common Stock. The rights of the holders of Common Stock and Class B Common Stock and Class C Common Stock are identical, except that each share of the Common Stock is entitled to one vote on all matters to be voted on by stockholders and each share of the Class B Common Stock and Class C Common Stock is non-voting. None of our authorized preferred stock has been designated and there are no shares of preferred stock issued and outstanding.

At the closing of this offering, all outstanding shares of our Class B Common Stock and Class C Common Stock will automatically convert to shares of our Common Stock. Immediately following the closing of this offering and the filing of our amended and restated certificate of incorporation, our authorized capital stock will consist of 35,000,000 shares of common stock, $0.01 par value per share, and 5,000,000 shares of preferred stock, $0.01 par value per share. As of October 13, 2000, there were 15,630,000 shares of common stock outstanding, held of record by 118 stockholders, and options to purchase 2,082,500 shares of common stock.

Common Stock

Under the amended and restated certificate of incorporation, the holders of common stock are entitled to one vote per share on all matters to be voted on by the stockholders. After payment of any dividends due and owing to the holders of preferred stock, holders of common stock are entitled to receive dividends declared by the board of directors out of funds legally available for dividends. In the event of our liquidation, dissolution or winding up, holders of common stock are entitled to share in all assets remaining after payment of liabilities and liquidation preferences of outstanding shares of preferred stock. Holders of common stock have no preemptive, conversion, subscription or other rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are, and all shares of common stock to be outstanding upon completion of this offering will be, fully paid and nonassessable.

Preferred Stock

Under the amended and restated certificate of incorporation, the board has the authority, without further action by stockholders, to issue up to 5,000,000 shares of preferred stock. The board may issue preferred stock in one or more series and may determine the rights, preferences, privileges, qualifications and restrictions granted to or imposed upon the preferred stock, including dividend rights, conversion rights, voting rights, rights and terms of redemption, liquidation preferences and sinking fund terms, any or all of which may be greater than the rights of the common stock. The issuance of preferred stock could adversely affect the voting power of holders of common stock and reduce the likelihood that common stockholders will receive dividend payments and payments upon liquidation. The issuance of preferred stock could also have the effect of decreasing the market price of the common stock and could delay, deter or prevent a change in control of our company. We have no present plans to issue any shares of preferred stock.

The Notes

In April 1999, Resources Connection issued notes in the aggregate amount of $22.0 million consisting of junior subordinated debt of Resources Connection, to certain investors. The notes consist of a general, unsecured promise by Resources Connection to pay the holder of the note the principal amount of the note plus interest which shall accrue at 12% per annum based on a 360-day year. The notes will mature on or about April 15, 2004. The interest is payable quarterly; however, Resources Connection may, at its option, add the

amount of interest payable to the unpaid principal amount of the notes. Our senior credit facility prohibits payment of interest on the notes while any amounts are outstanding under the senior credit facility and that interest on the notes is, in fact, only to be paid by adding the amount thereof to the principal amount of the notes.

We intend to use the proceeds of this offering to pay the outstanding aggregate principal amount under our senior credit facility and to prepay $26.3 million outstanding under the Notes as of September 30, 2000, which includes outstanding principal together with all accrued and unpaid interest on the notes.

The notes are junior subordinated debt, which means that the holders of senior indebtedness have priority in terms of payment and other rights over the holders of the notes. If we have funds that are insufficient to pay the holders of the notes in full, each holder is entitled to receive a pro rata payment based upon the aggregate unpaid principal amount held by each holder.

Registration Rights

If at any time after a public offering of our shares of common stock we propose to register our common stock under the Securities Act for our own account or the account of any of our stockholders or both, Evercore Partners, Richard Gersten, Paul Lattanzio, Gerald Rosenfeld, Mainz Holdings Ltd., DB Capital Partners, BancBoston Investments Inc., management stockholders and certain employee stockholders, are entitled to notice of the registration and to include registrable shares in that offering, provided that the underwriters of that offering do not limit the number of shares included in the registration. In addition, pursuant to a Stockholders Agreement between us, Evercore Partners, Donald B. Murray, Stephen J. Giusto, Karen M. Ferguson and Brent M. Longnecker at any time after a public offering of our shares of common stock, the stockholders party to the Stockholders Agreement can demand registration of their shares three times, subject to postponement by the company under certain circumstances. We have agreed to pay for two demand registrations of each of Evercore Partners and the management stockholders. All holders with registration rights have agreed not to exercise their registration rights until 180 days following the date of this prospectus unless both Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc. agree otherwise. The stockholders with these registration rights hold an aggregate of 8,312,660 shares, after deducting shares to be sold pursuant to this offering by selling stockholders. We are required to bear substantially all of the costs incurred in these registrations, other than underwriting discounts and commissions. The registration rights described above could result in future expenses for us and adversely affect any future equity or debt offerings.

Anti-Takeover Provisions

Delaware Law

We are governed by the provisions of Section 203 of the Delaware Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes mergers, asset sales or other transactions resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years, did own) 15% or more of the company's voting stock. The statute could delay, defer or prevent a change in control of our company.

Certificate of Incorporation and Bylaw Provisions

Various provisions contained in our amended and restated certificate of incorporation and bylaws could delay or discourage some transactions involving an actual or potential change in control of us or our management and may limit the ability of stockholders to remove current management or approve transactions

that stockholders may deem to be in their best interests and could adversely affect the price of our common stock. These provisions:

- authorize our board of directors to establish one or more series of undesignated preferred stock, the terms of which can be determined by the board of directors at the time of issuance;

- divide our board of directors into three classes of directors, with each class serving a staggered three-year term. As the classification of the board of directors generally increases the difficulty of replacing a majority of the directors, it may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us and may maintain the composition of the board of directors;

- prohibit cumulative voting in the election of directors unless required by applicable law. Under cumulative voting, a minority stockholder holding a sufficient percentage of a class of shares may be able to ensure the election of one or more directors;

- require that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing;

- state that special meetings of our stockholders may be called only by the Chairman of the board of directors, our Chief Executive Officer, by the board of directors after a resolution is adopted by a majority of the total number of authorized directors, or by the holders of not less than 10% of our outstanding voting stock;

- establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting;

- provide that certain provisions of our certificate of incorporation can be amended only by supermajority vote of the outstanding shares, and that our bylaws can be amended only by supermajority vote of the outstanding shares or our board of directors;

- allow our directors, not our stockholders, to fill vacancies on our board of directors; and

- provide that the authorized number of directors may be changed only by resolution of the board of directors.

The Nasdaq Stock Market's National Market

We have applied to list our common stock on The Nasdaq Stock Market's National Market under the trading symbol RECN.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our common stock, and we cannot assure you that a significant public market for our common stock will develop or be sustained after this offering. As described below, no shares currently outstanding will be available for sale immediately after this offering due to certain contractual and securities law restrictions on resale. Sales of substantial amounts of our common stock in the public market after these restrictions lapse could adversely affect the prevailing market price and our ability to raise equity capital in the future.

Upon completion of this offering, we will have 20,630,000 outstanding shares of common stock, assuming no exercise of the outstanding options to purchase 2,380,000 shares of our common stock. Of these shares, the 6,500,000 shares offered for sale through the underwriters will be freely tradable without restriction under the Securities Act unless purchased by our affiliates or covered by a separate lock-up agreement with the underwriters.

The remaining 14,130,000 shares of common stock held by existing stockholders are restricted securities. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration described below under Rules 144, 144(k) or 701 promulgated under the Securities Act.

As a result of the lock-up agreements described in "Underwriting" and the provisions of Rules 144, 144(k) and 701 described below, these restricted shares will be available for sale in the public market as follows:

- no shares may be sold prior to 180 days from the date of this prospectus;
- 3,057,000 shares will have been held long enough to be sold under Rule 144 or Rule 701 beginning 181 days after the date of this prospectus; and
- the remaining shares may be sold under Rule 144 or 144(k) once they have been held for the required time.

Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc. may agree to release shares subject to the lock-up agreements prior to the end of the 180-day lock-up period, although they have no current intention to do so. For further details, see "Underwriting."

Rule 144. In general, under Rule 144, a person who has beneficially owned restricted securities for at least one year would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding that will equal approximately 206,300 shares immediately after this offering; or
- the average weekly trading volume of our common stock on the Nasdaq National Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 are also limited by manner-of-sale provisions and notice requirements and to the availability of current public information about us.

Rule 144(k). Under Rule 144(k), a person who is not deemed to have been one of our affiliates at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years is entitled to sell these shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144 discussed above.

Rule 701. In general, under Rule 701, any of our employees, consultants or advisors who purchase or receive shares from us under a compensatory stock purchase plan or option plan or other written agreement will be eligible to resell their shares beginning 90 days after the date of this prospectus, subject to the 180-day

lockup agreements discussed in "Underwriting." Non-affiliates will be able to sell their shares subject only to the manner-of-sale provisions of Rule 144. Affiliates will be able to sell their shares without compliance with the holding period requirements of Rule 144.

Registration Rights. Upon completion of this offering, the holders of 8,312,660 shares of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act. See "Description of Capital Stock--Registration Rights." Except for shares purchased by affiliates, registration of their shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. All holders with registration rights have agreed not to exercise their registration rights until 180 days following the date of this prospectus unless both Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc. agree otherwise.

Stock Options. Immediately after this offering, we intend to file a registration statement under the Securities Act covering the shares of common stock reserved for issuance upon exercise of outstanding options. The registration statement is expected to be filed and become effective as soon as practicable after the closing of this offering. Accordingly, shares registered under the registration statement will be available for sale in the open market beginning 180 days after the effective date of the registrant statement of which this prospectus is a part, except with respect to Rule 144 volume limitations that apply to our affiliates.

U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a general discussion of the principal U.S. federal income and estate tax consequences of the ownership and disposition of our common stock by a Non-U.S. Holder. As used in this prospectus, the term "Non-U.S. Holder" is a person that is not:

- a citizen or individual resident of the United States for U.S. federal income tax purposes;
- a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or of any political subdivision of the United States;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust, in general, if it is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons.

An individual may, subject to some exceptions, be treated as a resident of the United States for U.S. federal income tax purposes, instead of a nonresident, by, among other things, being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year--counting for these purposes all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year. Residents are subject to U.S. federal taxes as if they were U.S. citizens.

This discussion does not consider:

- U.S. state and local or non-U.S. tax consequences;
- specific facts and circumstances that may be relevant to a particular Non-U.S. Holder's tax position, including, if the Non-U.S. Holder is a partnership, that the U.S. tax consequences of holding and disposing of our common stock may be affected by determinations made at the partner level;
- the tax consequences for the shareholders, partners or beneficiaries of a Non-U.S. Holder;
- special tax rules that may apply to some Non-U.S. Holders, including without limitation, banks, insurance companies, dealers in securities and traders in securities; or
- special tax rules that may apply to a Non-U.S. Holder that holds our common stock as part of a straddle, hedge or conversion transaction.

The following discussion is based on provisions of the U.S. Internal Revenue Code of 1986, applicable Treasury regulations, and administrative and judicial interpretations, all as of the date of this prospectus, and all of which may change, retroactively or prospectively. The following summary is for general information. Accordingly, each Non-U.S. Holder should consult a tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax consequences of acquiring, holding and disposing of shares of our common stock.

Dividends

We do not anticipate paying cash dividends on our common stock in the foreseeable future. In the event, however, that dividends are paid on shares of common stock, dividends paid to a Non-U.S. Holder of common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate, or a lower rate as may be provided by an applicable income tax treaty. Canadian holders of the common stock, for example, will generally be subject to a reduced rate of 15% under the Canada-U.S. Income Tax Treaty. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

Dividends that are effectively connected with a Non-U.S. Holder's conduct of a trade or business in the United States or, if an income tax treaty applies, attributable to a permanent establishment, or in the case of an

individual, a fixed base, in the United States, as provided in that treaty, referred to as U.S. trade or business income, are generally subject to U.S. federal income tax on a net income basis at regular graduated rates, but are not generally subject to the 30% withholding tax if the Non-U.S. Holder files the appropriate U.S. Internal Revenue Service form with the payor. Any U.S. trade or business income received by a Non-U.S. Holder that is a corporation may also, under some circumstances, be subject to an additional "branch profits tax" at a 30% rate or a lower rate as specified by an applicable income tax treaty.

Dividends paid prior to 2001 to an address in a foreign country are presumed, absent actual knowledge to the contrary, to be paid to a resident of that country for purposes of the withholding discussed above and for purposes of determining the applicability of a tax treaty rate. For dividends paid after December 31, 2000:

- a Non-U.S. Holder of common stock who claims the benefit of an applicable income tax treaty rate generally will be required to satisfy applicable certification and other requirements;

- in the case of common stock held by a foreign partnership, the certificate requirement will generally be applied to the partners of the partnership and the partnership will be required to provide certain information, including a U.S. taxpayer identification number; and

- look-through rules will apply for tiered partnerships.

A Non-U.S. Holder of common stock that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS.

Gain on Disposition of Common Stock

A Non-U.S. Holder generally will not be subject to U.S. federal income tax in respect of gain recognized on a disposition of common stock unless:

- the gain is U.S. trade or business income, in which case, the branch profits tax described above may also apply to a corporate Non-U.S. Holder;

- the Non-U.S. Holder is an individual who holds the common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code, is present in the United States for more than 182 days in the taxable year of the disposition and meets other requirements;

- the Non-U.S. Holder is subject to tax pursuant to the provisions of the U.S. tax law applicable to some U.S. expatriates; or

- we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or period that the Non-U.S. Holder held our common stock.

Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in trade or business. We believe that we have not been, are not currently, and do not anticipate becoming, a "U.S. real property holding corporation," and thus we believe that the effects which could arise if we were ever a "U.S. real property holding corporation" will not apply to a Non-U.S. Holder. Even if we were, or were to become, a "U.S. real property holding corporation," no adverse tax consequences would apply to a Non-U.S. Holder whose holdings, direct and indirect, at all times during the applicable period, constituted 5% or less of our common stock, provided that our common stock was regularly traded on an established securities market.

Federal Estate Tax

Common stock owned or treated as owned by an individual who is a Non-U.S. Holder at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax.

Information Reporting and Backup Withholding Tax

We must report annually to the IRS and to each Non-U.S. Holder the amount of dividends paid to that holder and the tax withheld with respect to those dividends. Copies of the information returns reporting those dividends and withholding may also be made available to the tax authorities in the country in which the Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

Under some circumstances, U.S. Treasury Regulations require information reporting and backup withholding at a rate of 31% on certain payments on common stock. Under currently applicable law, Non-U.S. Holders of common stock generally will be exempt from these information reporting requirements and from backup withholding on dividends prior to 2001 to an address outside the United States. For dividends paid after December 31, 2000, however, a Non-U.S. Holder of common stock that fails to certify its Non-U.S. Holder status in accordance with applicable U.S. Treasury Regulations may be subject to backup withholding at a rate of 31% on payments of dividends.

The payment of the proceeds of the disposition of common stock by a holder to or through the U.S. office of a broker through a non-U.S. branch of a U.S. broker generally will be subject to information reporting and backup withholding at a rate of 31% unless the holder either certifies its status as a Non-U.S. Holder under penalties of perjury or otherwise establishes an exemption. The payment of the proceeds of the disposition by a Non-U.S. Holder of common stock to or through a non-U.S. office of non-U.S. broker will not be subject to backup withholding or information reporting unless the non-U.S. broker is a "U.S. related person." In the case of the payment of proceeds from the disposition of common stock by or through a non-U.S. office of a broker that is a U.S. person or a "U.S. related person," information reporting, but currently not backup withholding, on the payment applies unless the broker receives a statement from the owner, signed under penalty of perjury, certifying its non-U.S. status or the broker has documentary evidence in its files that the holder is a Non-U.S. Holder and the broker has no actual knowledge to the contrary. For this purpose, a "U.S. related person" is:

- a "controlled foreign corporation" for U.S. federal income tax purposes;

- a foreign person, 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment, or for such part of the period that the broker has been in existence, is derived from activities that are effectively connected with the conduct of a U.S. trade or business; or

- effective after December 31, 2000, a foreign partnership if, at any time during the taxable year, (A) at least 50% of the capital or profits interest in the partnership is owned by U.S. persons or (B) the partnership is engaged in a U.S. trade or business.

Effective after December 31, 2000, backup withholding may apply to the payment of disposition proceeds by or through a non-U.S. office of a broker that is a U.S. person or a "U.S. related person" unless certification requirements are satisfied or an exemption is otherwise established and the broker has no actual knowledge that the holder is a U.S. person. Non-U.S. Holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them, including changes to these rules that will become effective after December 31, 2000. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be refunded, or credited against the holder's U.S. federal income tax liability, if any, provided that the required information is furnished to the IRS.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated , 2000, we and the selling stockholders have agreed to sell to the underwriters named below, for whom Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc., as joint bookrunners, and Robert W. Baird & Co. Incorporated are acting as representatives, the following respective numbers of shares of common stock:

Underwriter	Number of Shares
Credit Suisse First Boston Corporation	
Deutsche Bank Securities Inc	
Robert W. Baird & Co. Incorporated	
Total	6,500,000

As joint bookrunners, Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc. have equal responsibility for managing this offering. The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering, if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

The selling stockholders have granted the underwriters a 30-day option to purchase from them on a pro rata basis up to 975,000 additional shares at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a concession of $ per share. The underwriters and the selling group members may allow a discount of $ per share on sales to other broker/dealers. After the initial public offering, the public offering price and concession and discount to dealers may be changed by the representatives.

The following table summarizes the compensation and estimated expenses we and the selling stockholders will pay. The underwriting fee will be determined based on our negotiations with the underwriters at the time the initial public offering price of our common stock is determined. We do not expect the underwriting discount per share of common stock to exceed 7% of the initial public offering price per share of common stock.

	Per Share		Total	
	Without Over-Allotment	With Over-Allotment	Without Over-Allotment	With Over-Allotment
Underwriting Discounts and Commissions paid by us	$	$	$	$
Underwriting Discounts and Commissions paid by the selling stockholders	$	$	$	$
Expenses payable by us	$	$	$	$

The underwriters do not intend to confirm sales to any accounts over which they exercise discretionary authority.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act of 1933 relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, unless both Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc. agree otherwise, for a period of 180 days after the date of this prospectus, except issuances pursuant to the exercise of employee stock options outstanding on the date hereof.

Our officers, directors and all of our stockholders have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of common stock whether any of these transactions are to be settled by delivery of our common stock or other securities, in case or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any swap, hedge or other arrangement, unless, in each case, both Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc. agree otherwise, for a period of 180 days after the date of this prospectus. Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc. have no current intention to release any shares subject to these lock-up agreements. In considering whether to release any shares, Credit Suisse First Boston Corporation and Deutsche Bank Securities Inc. would consider, among other factors, the particular circumstances surrounding the request, including but not limited to, the number of shares requested to be released, the possible impact on the market for our common stock, the reasons for the request, and whether the holder of our shares requesting the release is an officer, director or other affiliates of ours.

The underwriters have reserved for sale, at the initial public offering price, up to 500,000 shares of common stock, or 10% of the shares offered by us in this offering, for employees, directors, consultants and other persons associated with us who have expressed an interest in purchasing common stock in this offering. The number of shares available for sale to the general public in the offering will be reduced to the extent these persons purchase the reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares. None of the reserved shares that are sold to employees, officers, directors, consultants or other persons associated with us will be subject to the terms of the lock-up agreements described in the preceding paragraph.

We and the selling stockholders have agreed to indemnify the underwriters against liabilities under the Securities Act of 1933, or contribute to payments which the underwriters may be required to make in that respect.

We have applied to have our common stock quoted on The Nasdaq Stock Market's National Market under the trading symbol RECN.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiation between us and the underwriters. The principal factors to be considered in determining the public offering price include the following:

- the information included in this prospectus and otherwise available to the representatives;
- market conditions for initial public offerings;
- the history and the prospects for the industry in which we will compete;
- the ability of our management;
- the prospects for our future earnings;
- the present state of our development and our current financial condition;
- the general condition of the securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies.

We cannot be sure that the initial public offering price will correspond to the price at which the common stock will trade in the public market following this offering or that an active trading market for the common stock will develop and continue after this offering.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-alloted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any short position by either exercising their over-allotment option and/or purchasing shares in the open market.

- Syndicate covering transactions involve purchases of common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option--a naked short position--that position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely effect investors who purchase in the offering.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that would otherwise exist in the open market. These transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters participating in this offering. The representatives may agree to allocate a number of shares to underwriters for the sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters that will make internet distributions on the same basis as other allocations. Credit Suisse First Boston Corporation may effect an on-line distribution through its affiliate, DLJdirect Inc., an on-line broker/dealer, as a selling group member.

NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the common stock in Canada is being made only on a private placement basis exempt from the requirement that we and the selling stockholders prepare and file a prospectus with the securities regulatory authorities in each province where trades of common stock are made. Any resale of the common stock in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the common stock.

Representations of Purchasers

By purchasing common stock in Canada and accepting a purchase confirmation, a purchaser is representing to us, the selling stockholders and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the common stock without the benefit of a prospectus qualified under those securities laws,
- where required by law, the purchaser is purchasing as principal and not as agent, and
- the purchaser has reviewed the text above under "Resale Restrictions."

Rights of Action (Ontario Purchasers)

The securities being offered are those of a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by Ontario securities law. As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of the United States federal securities laws.

Enforcement of Legal Rights

All of the issuer's directors and officers as well as the experts named herein and the selling stockholders may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the issuer or such persons. All or a substantial portion of the assets of the issuer and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against such issuer or persons outside of Canada.

Notice to British Columbia Residents

A purchaser of common stock to whom the Securities Act (British Columbia) applies is advised that the purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any common stock acquired by the purchaser pursuant to this offering. The report must be in the form attached to British Columbia Securities Commission Blanket Order BOR #95/17, a copy of which may be obtained from us. Only one report must be filed for common stock acquired on the same date and under the same prospectus exemption.

Taxation and Eligibility for Investment

Canadian purchasers of common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the common stock in their particular circumstances and about the eligibility of the common stock for investment by the purchaser under relevant Canadian legislation.

LEGAL MATTERS

The validity of the shares of common stock offered in this prospectus will be passed upon for us by O'Melveny & Myers, LLP, Newport Beach, California. Latham & Watkins, Costa Mesa, California, will pass upon certain legal matters in connection with this offering for the underwriters.

EXPERTS

The consolidated financial statements of Resources Connection, Inc. and its subsidiaries as of May 31, 1999 and 2000 and for the period from inception, November 16, 1998, through May 31, 1999, and for the year ended May 31, 2000, included in this prospectus have been included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Resources Connection LLC for the period June 1, 1998 through March 31, 1999, and for the year ended May 31, 1998, included in this prospectus have been included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act, with respect to the common stock offered by this prospectus. As permitted by the rules and regulations of the Commission, this prospectus, which is a part of the registration statement, omits certain information, exhibits, schedules and undertakings included in the registration statement. For further information pertaining to us and the common stock offered under this prospectus, reference is made to the registration statement and the attached exhibits and schedules. Although required material information has been presented in this prospectus, statements contained in this prospectus as to the contents or provisions of any contract or other document referred to in this prospectus may be summary in nature, and in each instance reference is made to the copy of this contract or other document filed as an exhibit to the registration statement, and each statement is qualified in all respects by this reference. A copy of the registration statement may be inspected without charge at the office of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Securities and Exchange Commission's regional offices located at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies of all or any part of the registration statement may be obtained from the Securities and Exchange Commission's offices upon the payment of the fees prescribed by the Securities and Exchange Commission. In addition, registration statements and certain other filings made with the commission through its Electronic Data Gathering, Analysis and Retrieval ("EDGAR") system, including our registration statement and all exhibits and amendments to our registration statement, are publicly available through the commission's website at http://www.sec.gov.

After this offering, we will have to provide the information and reports required by the Securities Exchange Act of 1934, as amended, and we will file periodic reports, proxy statements and other information with the Securities and Exchange Commission. Upon approval of the common stock for listing on The Nasdaq Stock Market's National Market, these reports, proxy and information statements and other information may also be inspected at the offices of Nasdaq Operations, 1735 K Street, N.W., Washington, D.C. 20006.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and the Board of Directors
of Resources Connection, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, stockholders' equity and cash flows present fairly, in all material respects, the financial position of Resources Connection, Inc., formerly RC Transaction Corp., and its subsidiaries at May 31, 1999 and 2000, and the results of their operations and their cash flows for the period from inception, November 16, 1998 through May 31, 1999, and the year ended May 31, 2000 in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Costa Mesa, California
July 17, 2000

RESOURCES CONNECTION, INC.

CONSOLIDATED BALANCE SHEETS

	May 31, 1999	May 31, 2000	August 31, 2000 (unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 875,836	$ 4,490,187	$ 5,724,145
Trade accounts receivable, net of allowance for doubtful accounts of $907,070, $1,586,215 and $1,586,289 as of May 31, 1999 and 2000 and August 31, 2000, respectively	11,913,015	18,166,413	18,942,091
Deferred income taxes	852,507	1,300,210	1,300,210
Prepaid expenses and other current assets	821,226	745,621	598,291
Total current assets	14,462,584	24,702,431	26,564,737
Intangible assets, net	43,859,369	41,582,699	40,938,980
Property and equipment, net	459,683	3,196,185	3,728,179
Other assets	171,944	624,778	741,148
Total assets	$58,953,580	$70,106,093	$71,973,044
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued expenses	$ 2,502,772	$ 2,519,289	$ 1,867,670
Accrued salaries and related obligations	2,728,409	7,450,190	8,099,684
Other liabilities	581,197	800,938	634,569
Current portion of term loan	1,500,000	6,268,158	6,240,183
Total current liabilities	7,312,378	17,038,575	16,842,106
Deferred income taxes		379,589	379,589
Term loan	16,500,000	10,231,842	9,259,817
Revolving line of credit	2,100,000		
Subordinated notes payable	22,430,834	25,270,750	26,019,008
Total liabilities	48,343,212	52,920,756	52,500,520
Commitments and contingencies (Note 13)			
Stockholders' equity:			
Preferred stock, $0.01 par value, 5,000,000 shares authorized; zero shares issued and outstanding			
Common stock, $0.01 par value, 35,000,000 shares authorized; 15,630,000 shares issued and outstanding	156,300	156,300	156,300
Additional paid-in capital	9,698,754	10,221,589	11,160,228
Deferred stock compensation	(36,879)	(499,074)	(1,374,927)
Accumulated other comprehensive loss		(31,548)	(31,472)
Retained earnings	792,193	7,338,070	9,562,395
Total stockholders' equity	10,610,368	17,185,337	19,472,524
Total liabilities and stockholders' equity	$58,953,580	$70,106,093	$71,973,044

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

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF INCOME

	For The Period From Inception, November 16, 1998, Through May 31, 1999	For The Year Ended May 31, 2000	Three Months Ended August 31, 1999	Three Months Ended August 31, 2000
			(unaudited)	
Revenue	$15,384,578	$126,332,155	$25,533,226	$39,155,349
Direct cost of services, primarily payroll and related taxes for professional services employees	8,618,234	73,541,194	14,491,042	22,749,626
Gross profit	6,766,344	52,790,961	11,042,184	16,405,723
Selling, general and administrative expenses	4,274,171	34,648,822	6,814,294	10,719,835
Amortization of intangible assets	370,661	2,230,633	509,893	578,125
Depreciation expense	30,029	284,737	51,663	191,561
Income from operations	2,091,483	15,626,769	3,666,334	4,916,202
Interest expense	733,903	4,716,974	1,155,355	1,208,993
Income before provision for income taxes	1,357,580	10,909,795	2,510,979	3,707,209
Provision for income taxes	565,387	4,363,918	1,004,376	1,482,884
Net income	$ 792,193	$ 6,545,877	$ 1,506,603	$ 2,224,325
Net income per common share:				
Basic	$ 0.09	$ 0.42	$ 0.10	$ 0.14
Diluted	$ 0.09	$ 0.42	$ 0.10	$ 0.13
Weighted average common shares outstanding:				
Basic	8,691,224	15,630,000	15,630,000	15,630,000
Diluted	8,691,224	15,714,241	15,630,000	16,818,860

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

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-In	Deferred Stock	Accumulated Other Comprehensive	Retained	Total Stockholders'
	Shares	Amount	Capital	Compensation	Loss	Earnings	Equity
Issuance of common shares to founders for cash	5,630,000	$ 56,300	$ --	$ --	$ --	$ --	$ 56,300
Issuance of common shares for cash	9,855,260	98,553	9,756,707				9,855,260
Issuance of Class B common shares for cash	144,740	1,447	143,293				144,740
Issuance costs of common shares			(238,125)				(238,125)
Deferred stock compensation			36,879	(36,879)			
Net income for the period from inception, November 16, 1998, through May 31, 1999						792,193	792,193
Balances as of May 31, 1999	15,630,000	156,300	9,698,754	(36,879)		792,193	10,610,368
Deferred stock compensation			522,835	(522,835)			
Amortization of deferred stock compensation				60,640			60,640
Comprehensive income:							
Currency translation adjustment, net of tax					(31,548)		(31,548)
Net income for the year ended May 31, 2000						6,545,877	6,545,877
Total comprehensive income							6,514,329
Balances as of May 31, 2000	15,630,000	156,300	10,221,589	(499,074)	(31,548)	7,338,070	17,185,337
Deferred stock compensation (unaudited)			938,639	(938,639)			
Amortization of deferred stock compensation (unaudited)				62,786			62,786
Comprehensive income:							
Currency translation adjustment, net of tax (unaudited)					76		76
Net income for the three months ended August 31, 2000 (unaudited)						2,224,325	2,224,325
Total comprehensive income (unaudited)							2,224,401
Balances as of August 31, 2000 (unaudited)	15,630,000	$156,300	$11,160,228	$(1,374,927)	$(31,472)	$9,562,395	$19,472,524

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

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Period From Inception, November 16, 1998, Through May 31, 1999	For The Year Ended May 31, 2000	Three Months Ended August 31, 1999	Three Months Ended August 31, 2000
			(unaudited)	
Cash flows from operating activities				
Net income	$ 792,193	$ 6,545,877	$ 1,506,603	$ 2,224,325
Adjustments to reconcile net income to net cash provided by operating activities, net of effects of acquisition of Resources Connection LLC in April, 1999:				
Depreciation and amortization	400,690	2,515,370	561,555	769,686
Amortization of debt issuance costs	12,420	298,458	75,000	65,594
Amortization of deferred stock compensation		60,640		62,786
Bad debt expense	200,000	1,048,502	125,000	468,429
Changes in operating assets and liabilities:				
Trade accounts receivable	(1,217,009)	(7,301,900)	(1,094,186)	(1,244,107)
Prepaid expenses and other current assets	(509,473)	75,605	158,013	351,312
Other assets	(167,338)	(484,382)	(61,594)	(116,294)
Accounts payable and accrued expenses	768,763	35,096	(961,373)	(651,626)
Accrued salaries and related obligations	(573,479)	4,721,781	2,243,740	649,494
Other liabilities	311,716	219,741	983,229	(370,344)
Accrued interest payable portion of notes payable	430,834	2,839,916	681,107	748,258
Deferred income taxes	559,288	(68,114)		
Net cash provided by operating activities	1,008,605	10,506,590	4,217,094	2,957,513
Cash flows from investing activities				
Purchase of Resources Connection LLC, net of cash acquired and including transaction costs	(50,866,539)	(271,000)	(27,496)	
Purchases of property and equipment	(21,066)	(3,021,239)	(58,962)	(723,555)
Net cash used in investing activities	(50,887,605)	(3,292,239)	(86,458)	(723,555)
Cash flows from financing activities				
Proceeds from issuance of subordinated notes payable	22,000,000			
Proceeds from term loan	18,000,000			
Payments on term loan		(1,500,000)	(375,000)	(1,000,000)
Net borrowings (repayments) on revolving loan	2,100,000	(2,100,000)	(2,100,000)	
Costs of debt issuances	(1,163,339)			
Issuance of common stock	10,056,300			
Costs of equity				

issuances.....	(238,125)			
Net cash provided by (used in) financing activities.....	50,754,836	(3,600,000)	(2,475,000)	(1,000,000)
Net increase in cash..	875,836	3,614,351	1,655,636	1,233,958
Cash and cash equivalents at beginning of period..	--	875,836	875,836	4,490,187
Cash and cash equivalents at end of period.....	$ 875,836	$ 4,490,187	$ 2,531,472	$ 5,724,145

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

RESOURCES CONNECTION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 1999 And 2000

1. Description of the Company and its Business

Resources Connection, Inc., formerly RC Transaction Corp.,was incorporated on November 16, 1998. The Company provides professional services to a variety of industries and enterprises through its subsidiary, Resources Connection LLC ("LLC"), and foreign subsidiaries (collectively the "Company"). Prior to its acquisition of LLC on April 1, 1999 (see Note 3), Resources Connection, Inc. had no substantial operations. LLC, which commenced operations in June 1996, provides clients with experienced professionals who specialize in accounting, finance, tax, information technology and human resources on a project-by-project basis. The Company operates in the United States, Canada, Hong Kong and Taiwan. The Company is a Delaware corporation. LLC is a Delaware organized limited liability company.

The Company's fiscal year consists of 52 or 53 weeks, ending on the Saturday nearest the last day of May in each year. For convenience, all references herein to years or periods are to years or periods ended May 31. The period ended May 31, 1999 consists of 28 weeks, which includes 8 weeks of operations of LLC. The fiscal year ending May 31, 2000 consists of 52 weeks.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Interim Financial Information

The financial information for the three month periods ended August 31, 1999 and 2000 is unaudited but includes all adjustments (consisting only of normal recurring adjustments) which the Company considers necessary for a fair presentation of the financial position at such date and the operating results and cash flows for those periods. Results of the August 31, 1999 and 2000 periods are not necessarily indicative of the results for the entire year.

Revenue Recognition

Revenues are recognized and billed when services are rendered by the Company's professionals. Non-refundable conversion fees are recognized when one of the Company's professionals accepts an offer of permanent employment from a client. Conversion fees were less than 4% of revenue for the period ended May 31, 1999 and for the year ended May 31, 2000. All costs of compensating the Company's professionals are the responsibility of the Company and are included in direct cost of services.

Foreign Currency Translation

The financial statements of subsidiaries outside the United States are generally measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at current exchange rates, income and expense items are translated at average exchange rates prevailing during the period and the related translation adjustments are recorded as a component of comprehensive income within stockholders' equity. Gains and losses from foreign currency transactions are included in the consolidated statements of income.

Per Share Information

The Company follows Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," which establishes standards for the computation, presentation and disclosure requirements for basic and

diluted earnings per share for entities with publicly held common shares and potential common shares. Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. In computing diluted earnings per share, the weighted average number of shares outstanding is adjusted to reflect the effect of potentially dilutive securities.

Potential common shares totaling 750,500 were not included in the diluted earnings per share amounts for the period ended May 31, 2000 as their effect would have been anti-dilutive. For the year ended May 31, 2000, potentially dilutive securities consisted solely of stock options and resulted in potential common shares of 84,241.

All share and per share amounts have been adjusted to give retroactive effect to the 10-for-1 stock split (see Note 10) for all periods presented.

Cash and Cash Equivalents

The Company considers cash on hand, deposits in banks, and short-term investments purchased with an original maturity date of three months or less to be cash and cash equivalents. The carrying amounts reflected in the consolidated balance sheets for cash and cash equivalents approximate the fair values due to the short maturities of these instruments.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets which range from 3 to 10 years. Leasehold improvements are amortized using the straight-line method over the estimated useful life of the asset or the term of the lease, whichever is shorter. Costs for normal repairs and maintenance are expensed to operations as incurred, while renewals and major refurbishments are capitalized.

Assessments of whether there has been a permanent impairment in the value of property and equipment are periodically performed by considering factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. Management believes no permanent impairment has occurred.

Intangible Assets

Goodwill represents the purchase price of LLC in excess of the fair market value of its net tangible assets at acquisition date, and is being amortized on a straight-line basis over 20 years. A noncompete agreement is stated at cost and amortized on a straight-line basis over the four-year life of the agreement. The costs related to the issuance of debt are capitalized and amortized to interest expense on a straight-line basis over the 4.5 year life of the related debt. Debt issuance costs of $12,420 and $298,458 were amortized to interest expense for the period ended May 31, 1999 and the year ended May 31, 2000, respectively. The carrying value of intangible assets is periodically reviewed by management and impairment adjustments are recognized when the expected undiscounted future operating cash flows to be derived from such intangible assets are less than their carrying value. If such assets are considered to be impaired the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the expected discounted future operating cash flows arising from the asset. The Company believes that no impairment of intangible assets has occurred.

Interest Rate Swap

The Company has entered into an interest rate swap to manage its term loan debt with the objective of minimizing the volatility of the Company's borrowing cost. At May 31, 2000, the Company held an interest rate swap to fix the interest rate on a notional amount of $12.6 million. Under this agreement, the Company will pay the counterparty interest at a fixed rate of 8.96% and the counterparty will pay the Company interest at a variable rate based upon the Eurodollar rate plus 3%. The counterparty to this instrument is a major financial

institution with credit ratings primarily of Aa3 and AA. At May 31, 2000, the variable rate applicable to this agreement was 9.69%. Net payments or receipts under the agreement are recorded in interest expense on a current basis. The related amount payable to, or receivable from, the counterparty is included in interest payable on the consolidated balance sheet. At May 31, 2000, the interest rate swap agreement had a positive fair value of approximately $176,000 based upon quoted market prices of comparable instruments.

Stock-Based Compensation

The Company has adopted the disclosure-only provision of SFAS No. 123, "Accounting for Stock-Based Compensation" for measurement and recognition of employee stock-based transactions. SFAS No. 123 defines a fair value based method of accounting for stock based compensation. Fair value of the stock based awards is determined considering factors such as the exercise price, the expected life of the award, the current price of the underlying stock and its volatility, expected dividends on the stock, and the risk-free interest rate for the expected term of the award. Under the fair value method, compensation cost is measured at the grant date based on the fair value of the award and is recognized over the service period.

The Company continues to measure compensation cost under the intrinsic value method provided by Accounting Principles Board Opinion No. 25 ("APB 25") and to include the required pro forma disclosures. Under the intrinsic value method, compensation cost is measured at the grant date as the difference between the estimated market value of the underlying stock and the exercise price. Compensation cost is recognized ratably over the service period.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Under this method, deferred income taxes are recognized for the estimated tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established to reduce deferred tax assets to the amount expected to be realized when, in management's opinion, it is more likely than not that some portion of the deferred tax assets will not be realized. The provision for income taxes represents current taxes payable net of the change during the period in deferred tax assets and liabilities.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," which was later amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133." SFAS No. 133 established standards for the accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. This Statement generally requires recognition of gains and losses on hedging instruments, based on changes in fair value or the earnings effect of a forecasted transaction. SFAS No. 133, as amended by SFAS No. 137, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. Management does not believe that SFAS No. 133, as amended by SFAS No. 137, will have a material impact on the Company's consolidated financial statements.

In December 1999, the SEC issued Staff Accounting Bulletin No. 101 (SAB 101) entitled "Revenue Recognition," which outlines the basic criteria that must be met to recognize revenue and provides guidance for the presentation of revenue and for disclosure related to revenue recognition policies in financial statements filed with the SEC. The Company adopted the provisions of SAB 101 in these consolidated financial statements for all periods presented.

In March 2000, the FASB issued Interpretation No. 44, or FIN 44, entitled "Accounting for Certain Transactions Involving Stock Compensation," which is an interpretation of APB 25. This interpretation clarifies:

- the definition of an employee for purposes of applying APB 25;
- the criteria for determining whether a plan qualifies as a noncompensatory plan;
- the accounting consequences of various modifications to the terms of a previously fixed stock option or award; and
- the accounting for an exchange of stock compensation awards in a business combination.

This interpretation is effective July 1, 2000. Management believes that the adoption of FIN 44 will not have a material impact on the Company's consolidated financial statements.

Reclassifications

Certain reclassifications have been made to the prior period consolidated financial statements to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes these estimates and assumptions are adequate, actual results could differ from the estimates and assumptions used.

3. Resources Connection LLC Acquisition

On April 1, 1999, the Company completed the acquisition of all of the outstanding membership interests of LLC for approximately $55 million in cash, excluding cash acquired and transaction costs. The Company has accounted for this transaction under the purchase method of accounting. The purchase price exceeded the estimated fair value of LLC's net tangible assets by approximately $43.3 million, which was allocated to intangible assets, consisting of goodwill of $42.8 and a noncompete agreement of $500,000. The results of operations of LLC are included in the consolidated statements of income from the date of acquisition.

In connection with this acquisition, the Company entered into a transition services agreement ("Agreement") with the seller whereby the seller agreed to provide certain services (as defined in the Agreement) to the Company at negotiated terms during the period the Company maintained offices within the seller's locations. The use of the services may not necessarily have been provided at terms available from third parties. Therefore, the accompanying financial statements of the Company may not necessarily be indicative of the financial position and results that would have occurred if the Company had undertaken such transactions with third parties. Our management was unable to determine the availability and the cost of similar services had they been provided by third parties. Total expenses under the Agreement were approximately $300,000 and $1.3 million for the period from November 16, 1998 to May 31, 1999 and the year ended May 31, 2000, respectively. At May 31, 1999 and 2000, the Company maintained 25 and 5 offices, respectively, within the seller's locations. The Company expects to have completed all relocations by August 31, 2000.

The following are the Company's unaudited pro forma results for the year ended May 31, 1999 assuming the acquisition occurred on June 1, 1998:

Revenues	$70,822,000
Net income	$ 1,846,000
Net income per common share--Basic and Diluted	$ 0.21

These unaudited pro forma results have been prepared for comparative purposes only and include certain adjustments such as additional amortization expense as a result of goodwill and the noncompete agreement, and increased interest expense on acquisition debt. These pro forma amounts do not purport to be indicative of the results of operations that actually would have resulted had the combination occurred on June 1, 1998, or of future results of the Company.

4. Property and Equipment

Property and equipment consist of the following at May 31:

	1999	2000
Computers and equipment	$ 430,308	$ 2,440,297
Furniture	16,490	547,321
Leasehold improvements	42,914	523,333
	489,712	3,510,951
Less accumulated depreciation and amortization	(30,029)	(314,766)
	$ 459,683	$ 3,196,185

5. Intangible Assets

Intangible assets consist of the following at May 31:

	1999	2000
Noncompete agreement	$ 500,000	$ 500,000
Goodwill	42,579,111	42,831,532
Debt issuance costs	1,163,339	1,163,339
	44,242,450	44,494,871
Less accumulated amortization	(383,081)	(2,912,172)
	$43,859,369	$41,582,699

6. Income Taxes

The following table represents the current and deferred income tax provision for federal and state income taxes:

	For The Period From Inception, November 16, 1998, Through May 31, 1999	For The Year Ended May 31, 2000
Current		
Federal	$ --	$3,569,500
State	6,099	862,532
	6,099	4,432,032
Deferred		
Federal	438,668	(83,303)
State	120,620	15,189
	559,288	(68,114)
	$565,387	$4,363,918

The components of the provision for deferred income taxes are as follows:

	For The Period From Inception, November 16, 1998, Through May 31, 1999	For The Year Ended May 31, 2000
Allowance for doubtful accounts	$ 20,252	$(276,170)
Property and equipment	(417)	67,305
Goodwill and noncompete agreement	46,638	265,806
Accrued liabilities	535,898	4,034
State taxes	(43,083)	(129,089)
Net deferred income tax provision	$559,288	$ (68,114)

The provision for income taxes differs from the amount that would result from applying the federal statutory rate as follows:

	For The Period From Inception, November 16, 1998, Through May 31, 1999	For The Year Ended May 31, 2000
Statutory tax rate	34.0%	34.0%
State taxes, net of federal benefit	6.1%	5.4%
Other, net	1.5%	0.6%
Effective tax rate	41.6%	40.0%

The components of the net deferred tax asset consist of the following as of May 31:

	1999	2000
Deferred tax assets:		
Allowance for doubtful accounts	$ 380,969	$ 657,139
Accrued expenses	588,423	584,389
State taxes		74,411
	969,392	1,315,939
Deferred tax liabilities:		
Property and equipment	(15,569)	(82,874)
Goodwill and noncompete agreement	(46,638)	(312,444)
State taxes	(54,678)	
	(116,885)	(395,318)
Net deferred tax asset	$ 852,507	$ 920,621

7. Accrued Salaries and Related Obligations

Accrued salaries and related obligations consist of the following as of May 31:

	1999	2000
Accrued salaries, bonuses and related obligations	$1,945,109	$5,837,762
Accrued vacation	783,300	1,612,428
	$2,728,409	$7,450,190

8. Long-Term Obligations (Term Loan, Revolving Credit and Subordinated Notes Payable)

In April 1999, in connection with the acquisition of LLC, the Company entered into a $28 million credit agreement with a group of banks which provides for an $18 million term loan facility and a $10 million revolving credit facility, including a standby letter of credit feature (the "Credit Agreement"). Principal payments on the term loan are due quarterly, and the Credit Agreement expires October 1, 2003. At May 31, 1999 and 2000, outstanding borrowings on the term loan are $18,000,000 and $16,500,000, respectively. At May 31, 1999 and 2000, outstanding borrowings on the revolving credit facility are $2,100,000 and zero, respectively. Borrowings under the Credit Agreement are collateralized by all of the Company's assets.

Prime rate plus 2% and a Eurodollar-based rate plus 3% interest rate options are available for borrowing under the Credit Agreement. On May 31, 1999 and 2000, the term loan bore interest at 8% and 9.69%, respectively. The weighted average interest rate on the outstanding borrowings under the revolving credit facility was 9.35% at May 31, 1999. No amounts were outstanding under the revolving credit facility at May 31, 2000. Interest is payable on both facilities at various intervals no less frequent than quarterly. In addition, an annual facility fee of 0.05% is payable on the unutilized portion of the $10 million revolving credit facility.

The Credit Agreement contains certain financial and other restrictive covenants. These covenants include, but are not limited to, a restriction on the amount of dividends that may be distributed to shareholders, and maintaining defined levels of earnings before interest, taxes, depreciation and amortization ("EBITDA"), a debt leverage ratio and an interest coverage ratio. The Company was in compliance with these covenants as of May 31, 1999 and 2000.

In April 1999, the Company issued $22,000,000 in 12% subordinated promissory notes (the "Notes") to certain investors. The Notes are subordinate to the facilities provided by the Credit Agreement. Interest accrues on the Notes at 12%. Interest is payable on the Notes on a quarterly basis; however, the Company may elect and has elected to defer payment of the interest and to add the balance due ($3,270,750 at May 31, 2000) to the outstanding principal balance. All principal, including accrued interest, is due on April 15, 2004.

The fair values of the Notes and the Company's debt under the Credit Agreement approximate their carrying amounts and have been estimated based on current rates offered to the Company for debt of the same remaining maturities.

Scheduled maturities of long-term obligations are as follows:

Years Ending May 31:	
2001	$ 6,268,158
2002	3,888,100
2003	4,297,372
2004	27,317,120
	$41,770,750

9. Concentrations of Credit Risk

The Company maintains cash and cash equivalent balances with a high credit quality financial institution. At times, such balances are in excess of federally insured limits.

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of trade receivables. However, concentrations of credit risk are limited due to the large number of customers comprising the Company's customer base and their dispersion across different business and

geographic areas. The Company monitors its exposure to credit losses and maintains an allowance for anticipated losses. To reduce credit risk, the Company performs credit checks on certain customers.

10. Stockholders' Equity

The Company has authorized for issuance 25,000,000 shares of common stock, in addition to 3,000,000 shares of Class B common stock and 7,000,000 shares of Class C common stock with a $0.01 par value. At May 31, 1999 and 2000, there are 15,485,260, 144,740 and zero shares outstanding of common stock, Class B common stock and Class C common stock, respectively. The 25,000,000 shares of common stock are voting while Class B and Class C common stock are nonvoting. Class B and Class C common stock are equal to the 25,000,000 shares of common stock with respect to all other rights and preferences.

The Company has authorized for issuance 5,000,000 shares of preferred stock with a $0.01 par value. The Board of Directors has the authority to issue preferred stock in one or more series and to determine the related rights and preferences. No shares are outstanding at May 31, 1999 and 2000.

The Company issued 5,630,000 shares of its common stock to founding shareholders at a price of $0.01 per share (see Note 14).

In April 1999, the Company issued 10,000,000 units at a price of $3.20 per unit, each unit consisting of one share of common stock at $1.00 per unit and a subordinate promissory note of $2.20 per unit (see Note 8).

On March 9, 2000, the Company's Board of Directors authorized a 10-for-1 split of its shares of common stock and shares under options. All share and per share amounts in the accompanying consolidated financial statements have been adjusted to give retroactive effect to the stock split for all periods presented.

11. Benefit Plan

The Company established a defined contribution 401(k) plan ("the plan") on April 1, 1999, which covers all employees who have completed three months of service and are age 21 or older. Participants may contribute up to 15% of their annual salary up to the maximum amount allowed by statute. As defined in the plan agreement, the Company may make matching contributions in such amount, if any, up to a maximum of 6% of individual employees' annual salaries. The Company, in its sole discretion, determines the matching contribution made from year to year. To receive matching contributions, the employee must be employed on the last day of the fiscal year. For the period from inception, November 16, 1998, through May 31, 1999 and the year ended May 31, 2000, the Company contributed approximately $101,000 and $427,000, respectively, to the plan.

12. Supplemental Disclosure Of Cash Flow Information

For the period and year ended May 31:

	1999	2000
Interest paid	$ --	$1,824,051
Income taxes paid	$ --	$4,155,900
Noncash investing and financing activities:		
Deferred stock compensation	$36,879	$ 522,835

Acquisition of LLC, net of $5,033,027 cash acquired and including transaction costs:

Fair values of noncash tangible assets acquired	$12,533,518
Liabilities assumed and incurred	(4,746,090)
Goodwill	42,579,111
Noncompete agreement	500,000
Cash paid	$50,866,539

During the year ended May 31, 2000, it was determined that the Company owed additional consideration of approximately $225,000 relating to the acquisition of LLC. Such amount has been allocated to the purchase price and is included in accrued expenses at May 31, 2000.

During the year ended May 31, 2000, the Company paid $271,000 in transaction costs related to the acquisition of LLC, of which $244,000 had been included in accrued liabilities at May 31, 1999.

13. Commitments and Contingencies

Lease Commitments

At May 31, 2000, the Company had operating leases, primarily for office premises, expiring at various dates. At May 31, 2000, the Company had no capital leases. Future minimum rental commitments under operating leases are as follows:

Years Ending May 31:	
2001	$ 3,052,023
2002	2,992,504
2003	2,826,407
2004	2,796,750
2005	2,076,471
Thereafter	1,116,393
Total	$14,860,548

Rent expense for the period ended May 31, 1999 and for the year ended May 31, 2000 totaled $305,749 and $2,368,187, respectively.

Employment Agreements

The Company has employment agreements with certain key members of management expiring between 2002 and 2004. These agreements provide the employees with a specified severance amount depending on whether the employee is terminated with or without good cause as defined in the agreement.

14. Incentive Stock Plans

1998 Restricted Stock Purchase Plan

Under the terms of the Resources Connection, Inc. 1998 Restricted Stock Purchase Plan (the "Purchase Plan"), a total of 5,630,000 shares of common stock may be issued. The Purchase Plan gives the administrator authority to grant awards to management-based employees at a price of at least 85% of the fair market value of the stock (100% of the fair market value of the stock in the case of an individual possessing more than 10% of the total outstanding stock of the Company) on the date the related award was granted. An award under the Purchase Plan gives the participant the right to acquire a specified number of shares of common stock, at a

specified price, for a limited period of time. Awards under the Purchase Plan are generally nontransferable. The stock purchased upon exercise of an award generally vests over five years. If the participant's employment terminates before the participant's stock is fully vested, the Company may repurchase the unvested stock for the price initially paid by the participant. The administrator may accelerate the vesting of stock acquired under the Purchase Plan in the event of a change in control.

In November 1998, management formed Resources Connection, Inc. (formerly RC Transaction Corp.). In December 1998, 5,243,000 awards were granted and exercised pursuant to the Purchase Plan at a price of $0.01 per share. In January 1999 and February 1999, 297,000 and 90,000 awards, respectively, were granted and exercised pursuant to the Purchase Plan at a price of $0.01 per share. Of such shares of common stock, 785,200 and 1,880,000, respectively, were vested as of May 31, 1999 and 2000. During May 1999 and the year ended May 31, 2000, repurchased unvested shares of common stock were sold to eligible employees pursuant to the terms of the 1998 Restricted Stock Purchase Plan. The per share weighted average grant date fair values of the unvested awards granted during the period from inception, November 16, 1998, through May 31, 1999, and for the year ended May 31, 2000 were $0.02 and $2.44, respectively. The amount of unearned compensation recognized for stock re-sold under the Purchase Plan totaled $36,879 during May 1999 and $375,981 during the year ended May 31, 2000. Related compensation expense totaled zero and $53,520 for the period and the year ended May 31, 1999 and 2000, respectively. The Company does not anticipate granting any additional awards under the Purchase Plan.

1999 Long-Term Incentive Plan

Under the terms of the Resources Connection, Inc. 1999 Long-Term Incentive Plan (the "Incentive Plan"), the Company is authorized to grant restricted stock awards, incentive stock options ("ISOs"), nonqualified stock options ("NQSOs"), stock appreciation rights and bonus awards to directors, officers, key employees, consultants and other agents. Under the terms of the Incentive Plan, the option price for the ISOs and NQSOs shall not be less than the fair market value of the shares of the Company's stock on the date of the grant. For ISOs, the exercise price per share may not be less than 110% of the fair market value of a share of common stock on the grant date for any individual possessing more than 10% of the total outstanding stock of the Company. Management's estimate of the fair market value of the shares of the Company's common stock is based upon a valuation of the Company obtained from an independent appraisal firm. The maximum number of shares of common stock available for grant is 2,340,000. Stock options granted under the Incentive Plan become exercisable generally over periods of one to five years and expire within a period of not more than ten years from the date of grant. There were no options exercisable at May 31, 1999 and 2000. There were 80,500 options exercisable at August 31, 2000 at a weighted-average exercise price of $3.00.

A summary of the option activity under the Incentive Plan is as follows:

	Number of Shares Under Option	Weighted Average Exercise Price	Weighted Average Fair Value
Options outstanding at May 31, 1999	--	$ --	$ --
Granted, above fair market value	1,495,500	$4.01	$3.11
Granted, below fair market value	330,000	$3.00	$3.44
Options outstanding at May 31, 2000	1,828,500	$3.82	
Granted, above fair market value	110,000	$5.00	$4.50
Granted, at fair market value	74,000	$6.40	$6.40
Granted, below fair market value	192,500	$4.84	$9.76
Cancelled	(115,000)	$3.26	
Options outstanding at August 31, 2000	2,090,000	$4.10	

As of May 31, 2000, options outstanding have a range of per share exercise prices between $3.00 and $5.00 and a weighted average remaining contractual life of 9.67 years.

As of May 31, 2000, the Company recorded deferred compensation related to options granted to employees of $146,854 representing the difference between the deemed fair market value of the common stock, as determined for accounting purposes, and the exercise price of the options at the date of grant. Of this amount, $7,120 in amortization has been recognized during the year ended May 31, 2000. The Company amortizes deferred compensation over the related service period of the underlying options.

The Company has adopted the disclosure-only provisions of SFAS No 123. Had compensation cost for the Company's Incentive Plan been determined based on the fair value at the grant date for awards and consistent with the provisions of SFAS No. 123, the Company's net income for the periods ended May 31, would have been adjusted to the pro forma amount indicated below:

	1999	2000
Net Income:		
As reported	$792,193	$6,545,877
Pro forma	$792,193	$5,947,457
Net Income Per Common Share--Basic and Diluted:		
As reported	$ 0.09	$ 0.42
Pro forma	$ 0.09	$ 0.38

For purposes of computing the pro forma amounts, the fair value of stock-based compensation was estimated using the Black-Scholes option-pricing model with the following assumptions:

	1999	2000
Weighted-average expected life (years)	7	7
Annual dividend per share	None	None
Risk-free interest rate	6.47%-6.98%	6.47%-8.07%
Expected volatility	75%	75%

Because the determination of the fair value of all options granted includes the factors described in the preceding paragraph, and because additional option grants are expected to be made each year, the above pro forma disclosures are not likely to be representative of the pro forma effect on reported net income for future years.

15. Segment Information and Enterprise Reporting

No single customer accounted for more than 4% of revenue during the period ended May 31, 1999 and for the year ended May 31, 2000.

The Company has adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." The Company operates in one reportable segment as it provides experienced accounting and finance, human capital management and information technology professionals to clients on a project-by-project basis. Substantially all of the Company's assets are located within the United States. For the year ended May 31, 2000, the first year the Company had foreign operations, foreign revenue comprised less than 1% of the Company's consolidated revenue.

16. Related Party Transactions

In April 1999, the Company issued $22,000,000 in 12% subordinated promissory notes to certain investors (see Note 8).

On May 1, 1999, a member of management received a loan of $200,000 from the Company. The loan is interest free and matures on April 1, 2007. During the year ended May 31, 2000, $50,000 of this loan was forgiven. At May 31, 2000, $150,000 of the receivable was outstanding.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Members
of Resources Connection LLC

In our opinion, the accompanying statements of income and of cash flows of Resources Connection LLC, present fairly, in all material respects, the results of its operations and its cash flows for the year ended May 31, 1998 and for the period from June 1, 1998 through March 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether these statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in these statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits of these statements provide a reasonable basis for the opinion expressed above.

As discussed in Notes 1, 2, and 3 to these financial statements, the Company entered into significant related party transactions with its member, Deloitte & Touche LLP. The accompanying historical financial statements of the Company may not necessarily be indicative of the results that would have occurred if the Company had undertaken such transactions with an unrelated third party.

PricewaterhouseCoopers LLP

Costa Mesa, California
August 6, 1999

RESOURCES CONNECTION LLC

STATEMENTS OF INCOME

For The Year Ended May 31, 1998
And For The Period June 1, 1998 Through March 31, 1999

	For The Year Ended May 31, 1998	For The Period June 1, 1998 Through March 31, 1999
Revenue	$29,507,588	$55,437,836
Direct cost of services, primarily payroll and related taxes for professional services employees	16,670,680	31,252,773
Gross profit	12,836,908	24,185,063
Selling, general and administrative expenses	9,034,986	17,070,808
Depreciation and amortization expense	79,117	118,358
Net income	$ 3,722,805	$ 6,995,897

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

RESOURCES CONNECTION LLC

STATEMENTS OF CASH FLOWS

For The Year Ended May 31, 1998
And For The Period June 1, 1998 Through March 31, 1999

	For The Year Ended May 31, 1998	For The Period June 1, 1998 Through March 31, 1999
Cash flows from operating activities:		
Net income	$ 3,722,805	$ 6,995,897
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	79,117	118,358
Bad debt expense	278,760	533,000
Changes in operating assets and liabilities:		
Trade accounts receivable	(3,306,645)	(6,736,505)
Receivable from member	(2,500,000)	(10,500,000)
Payable to member	4,325,023	8,540,750
Prepaids and other assets	(18,850)	(297,509)
Accounts payable and accrued expenses	257,344	869,284
Accrued salaries and related obligations	682,867	2,322,972
Other liabilities	78,633	181,847
Net cash provided by operating activities	3,599,054	2,028,094
Cash flows from investing activities:		
Purchases of property and equipment	(431,014)	(163,107)
Net cash used in investing activities	(431,014)	(163,107)
Net increase in cash	3,168,040	1,864,987
Beginning cash balance	--	3,168,040
Ending cash balance	$ 3,168,040	$ 5,033,027

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

RESOURCES CONNECTION LLC

NOTES TO FINANCIAL STATEMENTS

1. Description Of The Company And Its Business:

Resources Connection LLC (the "Company") is a Delaware organized limited liability company and provides high-end professional services to a variety of industries and enterprises throughout the United States. The Company provides clients with experienced professionals in accounting, finance, tax and information technology on a project-by project-basis.

The Company was formed in September 1996. The Company is 99% owned by Deloitte & Touche LLP ("D&T") and 1% owned by Deloitte & Touche Acquisition Company LLC (collectively referred to as the "Members"). The Members do not have any liability for the obligations or liabilities of the Company except to the extent provided for in the Delaware Limited Liability Company Act (the "Act"). The Company will dissolve upon the first to occur of, among others, the following: (a) the written consent of the Members; (b) the resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event under the Act which terminates the continued membership of a Member in the Company, unless the remaining Member agrees in writing within 90 days to continue the business of the Company; or (c) December 31, 2095.

In the normal course of business, the Company has been supplied with a variety of services by D&T as well as having supplied a variety of services to D&T that are substantial in amount. The accompanying financial statements have been prepared from the separate records maintained by the Company; however, the services supplied by and to D&T may not necessarily have been provided at terms available from unrelated entities. Therefore, the accompanying financial statements of the Company may not necessarily be indicative of the conditions that would have existed if the Company had operated as an independent entity.

The following table summarizes the approximate amount of services and related allocated expenses charged to the Company for services provided by D&T. Charges for such services are included in selling, general and administrative expenses in the accompanying statements of income:

	For The Year Ended May 31, 1998	For The Period June 1, 1998 Through March 31, 1999
Occupancy	$344,000	$ 767,000
Computer charges	80,000	155,000
Telephone	16,000	34,000
Administrative salaries	122,000	250,000
Other charges	153,000	203,000
Total allocated charges	$715,000	$1,409,000

The financial statements include all necessary personnel costs and pro rata allocations of overhead from D&T on a basis which management believes represents a reasonable allocation of such costs.

D&T processes and pays the Company's accounts payable, which obligation is offset by periodic sweeps of the Company's separately maintained bank account, resulting in a net receivable due from D&T and a net payable due to D&T. Interest is not charged for any such amounts due to or from D&T.

Revenue includes fees charged for services provided directly to D&T of approximately $3.1 million and $4.9 million for the year ended May 31, 1998 and for the approximate ten month period ended March 31, 1999, respectively.

The Company's fiscal year consists of 52 or 53 weeks, ending on the Saturday nearest the last day of May in each year. For convenience, all references herein to years or periods are to years or periods ended May 31. The year ended May 31, 1998 was 52 weeks long and the period ended March 31, 1999 was 44 weeks long.

2. Summary Of Significant Accounting Policies:

Revenue Recognition:

Revenues are recognized when services are rendered by the Company's professional staff. Conversion fees are recognized in certain circumstances when one of our Company's professional staff accepts an offer of permanent employment from a client. Conversion fees were less than 4% of revenues for the year ended May 31, 1998 and the period ended March 31, 1999. All costs of compensating the Company's professional staff are the responsibility of the Company and are included in direct cost of services.

Depreciation And Amortization:

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets which range from 3 to 10 years. Leasehold improvements are amortized using the straight-line method over the estimated useful life of the asset or the term of the lease, whichever is shorter. Costs for normal repairs and maintenance are expensed to operations as incurred, while renewals and major refurbishments are capitalized.

Taxes:

As a limited liability company, income taxes on any income or losses realized by the Company are the obligation of its Members and, accordingly, no provision for income taxes has been recorded in the financial statements.

Use Of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes these estimates and assumptions are adequate, actual results could differ from the estimates and assumptions used.

Reclassifications:

Certain reclassifications have been made to the prior year financial statements to conform with the current period presentation.

3. Related Party Transactions:

Lease Arrangements:

Specific amendments to D&T lease agreements were negotiated for separate office space in two of the Company's locations. The Company reimburses D&T for the rent incurred under these amended lease agreements. D&T allocates rent to the Company for all other locations, which may not necessarily reflect terms available from unrelated parties. Total rent expense, including allocations as included in Note 1, was approximately $480,000 and $828,000 for the year ended May 31, 1998 and for the approximate ten month period ended March 31, 1999, respectively.

Retirement Plan:

The Company participates in D&T's defined contribution 401(k) plan ("the plan"), which covers administrative employees who have completed one year of service and are age 21 or older. Participants may

contribute up to 15% of their annual salary up to the maximum allowed by statute. As defined in the plan agreement, the Company is obligated to match 10% of employee contributions to a maximum of 6% of individual employees' annual salaries; the Company may, at its discretion, match up to an additional 15% of employee contributions to a maximum of 6% of individual employees' annual salaries. For the year ended May 31, 1998 and for the approximate ten month period ended March 31, 1999, the Company contributed approximately $35,000 and $98,000, respectively, to the plan.

Other:

The Company has entered into other significant related party transactions with its Member, D&T. See Note 1 for further detail.

4. Subsequent Events:

On April 1, 1999, D&T sold the Company to management of the Company and a group of investors. All of the outstanding membership interests of the Company were sold for approximately $55 million in cash, excluding cash acquired and transaction costs.

[inside back cover]

[small logo]

[red background]

Resources Connection, Inc., is a professional services firm that provides experienced accounting and finance, human resources management and information technology professionals to clients on a project-by-project basis.

[picture of part of a building]

[LOGO OF RESOURCES CONNECTION]

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth all expenses payable by the Resources Connection, Inc. (the "Registrant") in connection with the sale of the common stock being registered. All of the amounts shown are estimates, except for the SEC registration fee, the NASD filing fee and The Nasdaq National Market application fee.

	Amount to Be Paid
Registration fee	$ 27,628
NASD filing fee	10,850
Nasdaq Stock Market Listing Application fee	95,000
Blue sky qualification fees and expenses	7,000*
Printing and engraving expenses	265,000*
Legal fees and expenses	400,000*
Accounting fees and expenses	322,000*
Transfer agent and registrar fees	12,500*
Miscellaneous	10,000*
Total	$1,149,978

- --------
* Estimated.

Item 14. Indemnification Of Officers And Directors

Under Section 145 of the Delaware General Corporation Law, the Registrant has broad powers to indemnify its directors and officers against liabilities they may incur in such capacities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act").

The Registrant's Second Restated Certificate of Incorporation and Amended and Restated Bylaws include provisions to (i) eliminate the personal liability of its directors and officers for monetary damages resulting from breaches of their fiduciary duty to the extent permitted by Section 102(b)(7) of the General Corporation Law of Delaware (the "Delaware Law") and (ii) require the Registrant to indemnify its directors and officers to the fullest extent permitted by Section 145 of the Delaware Law, including circumstances in which indemnification is otherwise discretionary. Pursuant to Section 145 of the Delaware Law, a corporation generally has the power to indemnify its present and former directors, officers, employees and agents against expenses incurred by them in connection with any suit to which they are or are threatened to be made, a party by reason of their serving in such positions so long as they acted in good faith and in a manner they reasonably believed to be in or not opposed to, the best interests of the corporation and with respect to any criminal action, they had no reasonable cause to believe their conduct was unlawful. The Registrant believes that these provisions are necessary to attract and retain qualified persons as directors and officers. These provisions do not eliminate the directors' duty of care, and, in appropriate circumstances, equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware Law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to the Registrant, for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law, for acts or omissions that the director believes to be contrary to the best interests of the Registrant or its stockholders, for any transaction from which the director derived an improper personal benefit, for acts or omissions involving a reckless disregard for the director's duty to the Registrant or its stockholders when the director was aware or should have been aware of a risk of serious injury to the Registrant or its stockholders, for acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's duty to the Registrant or its stockholders, for improper transactions between the director and the Registrant and for

improper distributions to stockholders and loans to directors and officers. The provision also does not affect a director's responsibilities under any other law, such as the federal securities law or state or federal environmental laws.

At present, there is no pending litigation or proceeding involving a director or officer of the Registrant as to which indemnification is being sought nor is the Registrant aware of any threatened litigation that may result in claims for indemnification by any officer or director.

The Registrant has applied for an insurance policy covering the officers and directors of the Registrant with respect to certain liabilities, including liabilities arising under the Securities Act or otherwise.

Item 15. Recent Sales Of Unregistered Securities

Appropriate legends were affixed to the stock certificates issued in the transactions described below. All recipients had adequate access, through employment or other relationships, to information about the Registrant.

(a) In November 1998, we formed RC Transaction Corp. (renamed Resources Connection, Inc.). In December 1998, we issued 5,243,000 shares of our common stock to certain members of our management pursuant to the 1998 Employee Stock Purchase Plan for an aggregate purchase price of $52,430. Between January 1999 and February 1999, we issued and sold the remaining 387,000 shares of common stock to certain members of our management for an aggregate purchase price of $3,870. Between February 1999 and August 2000, pursuant to the terms of the 1998 Employee Stock Purchase Plan we reacquired 388,000 shares of our common stock from employees whose employment was being terminated. We resold these reaquired shares to certain employees for an aggregate purchase price of $264,000. We relied on the exemption provided by Rule 701 of the General Regulations under the Securities Act of 1933, as amended.

(b) On and around April 1, 1999, in connection with the management-led buyout, we issued and sold 9,855,260 shares of our Common Stock and 144,740 shares of our Class B Common Stock for an aggregate purchase price of $10,000,000 to the following investors:

- Four entities affiliated with Evercore Partners L.L.C.;
- Richard Gersten;
- Paul Lattanzio;
- Gerald Rosenfeld;
- Mainz Holdings Ltd.;
- BT Capital Investors, L.P.;
- BancBoston Investments Inc.; and
- Resources Connection management and employees.

Simultaneously, we issued and sold subordinated notes, bearing 12% interest per annum with a maturity date of April 15, 2004, in an aggregate principal amount of $22,000,000 to the same group of investors. We relied on the exemption provided by Section 4(2) under the Securities Act and Regulation D promulgated thereunder. The recipients of the above-described securities represented their intention to acquire the securities for investment only and not with a view to distribution thereof.

(c) Between June 17, 1999 and August 26, 2000, we have granted stock options to certain of our employees pursuant to our 1999 Long-Term Incentive Plan. We relied on the exemption provided by Rule 701 of the General Regulations under the Securities Act of 1933, as amended.

Item 16. Exhibits and Financial Statement Schedule

(a) Exhibits.

Exhibit Number	Description of Document
1.1**	Form of Underwriting Agreement.
3.1(a)***	Restated Certificate of Incorporation.
3.1(b)***	Amendment to Restated Certificate of Incorporation.
3.2***	Form of Second Restated Certificate of Incorporation, to be filed and become effective upon the closing of this offering.
3.3***	Bylaws, as currently in effect.
3.4***	Form of Amended and Restated Bylaws, as amended, to become effective upon closing of this offering.
4.1***	Stockholders Agreement, dated April 1, 1999, between Resources Connection, Inc. and certain stockholders of Resources Connection, Inc.
4.2**	Stockholders Agreement, dated December 11, 2000, between Resources Connection, Inc. and certain stockholders of Resources Connection, Inc.
4.3**	Specimen Stock Certificate.
4.4***	Form of 12.0% Junior Subordinated Promissory Note.
5.1**	Opinion of O'Melveny & Myers, LLP.
10.1***	Resources Connection, Inc. 1998 Employee Stock Purchase Plan.
10.2***	Resources Connection, Inc. 1999 Long-Term Incentive Plan.
10.3***	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Donald B. Murray.
10.4***	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Stephen J. Giusto.
10.5***	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Karen M. Ferguson.
10.6***	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Brent M. Longnecker.
10.7***	Credit Agreement, dated April 1, 1999, by and among Resources Connection, Inc., RCLLC Acquisition Corp., Resources Connection LLC, Bankers Trust Company, as collateral agent.
10.8***	Pledge Agreement, dated as of April 1, 1999, made by each of Resources Connection, Inc., RCLLC Acquisition Corp. and Resources Connection LLC to Bankers Trust Company, as collateral agent.
10.9***	Security Agreement, dated April 1, 1999, among Resources Connection, Inc., certain of its subsidiaries and Bankers Trust Company, as collateral agent.
10.10***	Sublease, dated as of March 1, 2000, by and between Enterprise Profit Solutions Corporation and Resources Connection LLC.
10.11***	Resources Connection, Inc. Employee Stock Purchase Plan.
10.12***	Purchase Agreement, dated April 1, 1999, between Deloitte & Touche LLP, Deloitte & Touche Acquisitions Company LLC, Resources Connection LLC and Resources Connection, Inc.
10.13***	Investment Agreement, dated April 1, 1999, between Resources Connection, Inc., certain entities affiliated with Evercore Partners, L.L.C. and certain other investors.

Exhibit Number	Description of Document
10.14***	Transition Services Agreement, dated April 1, 1999, between Deloitte & Touche LLP, Resources Connection, Inc. and Resources Connection LLC.
21.1***	List of Subsidiaries.
23.1**	Consent of Independent Accountants.
23.2**	Consent of O'Melveny & Myers LLP. Reference is made to Exhibit 5.1.
24.1***	Power of Attorney. Reference is made to page II-9.
27***	Financial Data Schedule.

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* To be filed by amendment.
** Filed herewith.
*** Previously filed.

(b) Financial Statement Schedules.

Schedule II--Valuation and Qualifying Accounts.

All other schedules are omitted because they are not required, are not applicable or the information is included in our financial statements or notes thereto.

Item 17. Undertakings

The Registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Exchange Act of 1934, as amended (the "Exchange Act") may be permitted to directors, officers and controlling persons of the registrant pursuant to provisions described in Item 14 or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Exchange Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Exchange Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Exchange Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Exchange Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To the Stockholders and the Board of Directors of Resources Connection, Inc.

Our audits of the consolidated financial statements of Resources Connection, Inc. referred to in our report dated July 17, 2000 appearing in this registration statement on Form S-1 also included an audit of the financial statement schedule listed in Item (16)(b) of this Form S-1. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

Costa Mesa, California
July 17, 2000

RESOURCES CONNECTION, INC.

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

	Beginning Balance	Charged to Operations	Write-offs	Purchase of Resources Connection LLC	Ending Balance
Allowance for Doubtful Accounts					
Period from November 16, 1998 (date of inception) to May 31, 1999	$ --	$ 200,000	$(248,220)	$955,290	$ 907,070
Year Ended May 31, 2000	$907,070	$1,048,502	$(369,357)	$	$1,586,215

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To the Members of Resources Connection LLC

Our audits of the financial statements of Resources Connection LLC referred to in our report dated August 6, 1999 appearing in this registration statement on Form S-1 also included an audit of the financial statement schedule listed in Item (16)(b) of this Form S-1. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related financial statements.

PricewaterhouseCoopers LLP

Costa Mesa, California
August 6, 1999

RESOURCES CONNECTION LLC

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

	Beginning Balance	Charged to Operations	Write-offs	Ending Balance
Allowance for Doubtful Accounts				
Year Ended May 31, 1998.....	$266,560	$278,760	$(123,030)	$422,290
Period from June 1, 1998 to March 31, 1999.....	$422,290	$533,000	$	$955,290

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Amendment No. 7 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Newport Beach, County of Orange, State of California, on December 12, 2000.

By: /s/ Stephen J. Giusto
Stephen J. Giusto
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 7 to Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	Chief Executive Officer, President and Director (Principal Executive Officer)	December 12, 2000
Donald B. Murray		
*	Chief Financial Officer, Executive Vice President of Corporate Development, Secretary and Director (Principal Financial Officer)	December 12, 2000
Stephen J. Giusto		
*	Executive Vice President and Director	December 12, 2000
Karen M. Ferguson		
*	Director	December 12, 2000
David G. Offensend		
*	Director	December 12, 2000
Ciara A. Burnham		
*	Director	December 12, 2000
Gerald Rosenfeld		
*	Director	December 12, 2000
Leonard Schutzman		
*	Director	December 12, 2000
John C. Shaw		
*	Director	December 12, 2000
C. Stephen Mansfield		

*/s/ Stephen J. Giusto
Stephen J. Giusto
Attorney-In-Fact

EXHIBIT INDEX

Exhibit Number	Description of Document
1.1**	Form of Underwriting Agreement.
3.1(a)***	Restated Certificate of Incorporation.
3.1(b)***	Amendment to Restated Certificate of Incorporation.
3.2***	Form of Second Restated Certificate of Incorporation, to be filed and become effective upon the closing of this offering.
3.3***	Bylaws, as currently in effect.
3.4***	Amended and Restated Bylaws, as amended, to be filed and become effective upon the closing of this offering.
4.1***	Stockholders Agreement, dated April 1, 1999, between Resources Connection, Inc. and certain stockholders of Resources Connection, Inc.
4.2**	Stockholders Agreement, dated December 11, 2000, between Resources Connection, Inc. and certain stockholders of Resources Connection, Inc.
4.3**	Specimen Stock Certificate.
4.4***	Form of 12.0% Junior Subordinated Promissory Note.
5.1**	Opinion of O'Melveny & Myers LLP.
10.1***	Resources Connection, Inc. 1998 Employee Stock Purchase Plan.
10.2***	Resources Connection, Inc. 1999 Long-Term Incentive Plan.
10.3***	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Donald B. Murray.
10.4***	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Stephen J. Giusto.
10.5***	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Karen M. Ferguson.
10.6***	Employment Agreement, dated April 1, 1999, between Resources Connection, Inc. and Brent M. Longnecker.
10.7***	Credit Agreement, dated April 1, 1999, by and among Resources Connection, Inc., RCLLC Acquisition Corp., Resources Connection LLC, Bankers Trust Company, as collateral agent.
10.8***	Pledge Agreement, dated as of April 1, 1999, made by each of Resources Connection, Inc., RCLLC Acquisition Corp. and Resources Connection LLC to Bankers Trust Company, as collateral agent.
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23.2**	Consent of O'Melveny & Myers LLP. Reference is made to Exhibit 5.1.
24.1***	Power of Attorney. Reference is made to page II-9.
27***	Financial Data Schedule.

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* To be filed by amendment.
** Filed herewith.
*** Previously filed.

EXHIBIT 1.1

6,500,000 Shares

Resources Connection, Inc.

Common Stock, par value
$0.01 per share

UNDERWRITING AGREEMENT

December ___, 2000

CREDIT SUISSE FIRST BOSTON CORPORATION
DEUTSCHE BANK SECURITIES INC.
ROBERT W. BAIRD & CO. INCORPORATED
As Representatives of the Several Underwriters,
c/o Credit Suisse First Boston Corporation,
Eleven Madison Avenue
New York, N.Y. 10010-3629

Dear Sirs:

1. Introductory. Resources Connection, Inc, a Delaware corporation ("Company") proposes to issue and sell 5,000,000 shares of its common stock, par value $0.01 per share, ("Securities") and the stockholders listed in Schedule A hereto ("Evercore Selling Stockholders") and the stockholders listed on Schedule B hereto below the caption Other Selling Stockholders ("Other Selling Stockholders" and together with the Evercore Selling Stockholders, "Initial Selling Stockholders") propose severally to sell an aggregate of 1,500,000 outstanding shares of the Securities (such 6,500,000 shares of Securities being hereinafter referred to as the "Firm Securities"). Certain of the Initial Selling Stockholders and each of the stockholders listed on Schedule B below the caption Management Selling Stockholders ("Management Selling Stockholders" and together with the Initial Selling Stockholders, "Selling Stockholders"), also propose to sell to the Underwriters, at the option of the Underwriters, an aggregate of not more than 975,000 additional outstanding shares of the Company's Securities, as set forth below (such 975,000 additional shares being hereinafter referred to as the "Optional Securities"). The Firm Securities and the Optional Securities are herein collectively called the "Offered Securities". As part of the offering contemplated by this Agreement, Deutsche Bank Securities Inc. (the "Designated Underwriter") has agreed to reserve out of the Firm Securities purchased by it under this Agreement, up to 500,000 shares, for sale to the Company's directors, officers, employees and other parties associated with the Company (collectively, "Participants"), as set forth in the Prospectus (as defined herein) under the heading "Underwriting" (the "Directed Share Program"). The Firm Securities to be sold by the Designated Underwriter pursuant to the Directed Share Program (the "Directed Shares") will be sold by the Designated Underwriter pursuant to this Agreement at the public offering price. Any Directed Shares not subscribed for by the end of the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus. The Company and the Selling Stockholders hereby agree with the several Underwriters named in Schedule C hereto ("Underwriters") as follows:

2. Representations and Warranties of the Company and the Selling Stockholders.

(a) The Company and each Management Selling Stockholder severally represents and warrants to, and agrees with, the several Underwriters that:

(i) A registration statement (No. 333-45000) relating to the Offered Securities, including a form of prospectus, has been filed with the Securities and Exchange Commission ("Commission") and either (A) has been declared effective under the Securities Act of 1933 ("Act") and is not proposed to be amended or (B) is proposed to be amended by amendment or post-effective amendment. If such registration statement (the "initial registration statement") has been declared effective, either (A) an additional registration statement (the "additional registration statement") relating to the Offered Securities may have been filed with the Commission

pursuant to Rule 462(b) ("Rule 462(b)") under the Act and, if so filed, has become effective upon filing pursuant to such Rule and the Offered Securities all have been duly registered under the Act pursuant to the initial registration statement and, if applicable, the additional registration statement or (B) such an additional registration statement is proposed to be filed with the Commission pursuant to Rule 462(b) and will become effective upon filing pursuant to such Rule and upon such filing the Offered Securities will all have been duly registered under the Act pursuant to the initial registration statement and such additional registration statement. If the Company does not propose to amend the initial registration statement or if an additional registration statement has been filed and the Company does not propose to amend it, and if any post-effective amendment to either such registration statement has been filed with the Commission prior to the execution and delivery of this Agreement, the most recent amendment (if any) to each such registration statement has been declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c) ("Rule 462(c)") under the Act or, in the case of the additional registration statement, Rule 462(b). For purposes of this Agreement, "Effective Time" with respect to the initial registration statement or, if filed prior to the execution and delivery of this Agreement, the additional registration statement means (A) if the Company has advised the Representatives that it does not propose to amend such registration statement, the date and time as of which such registration statement, or the most recent post-effective amendment thereto (if any) filed prior to the execution and delivery of this Agreement, was declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c), or (B) if the Company has advised the Representatives that it proposes to file an amendment or post-effective amendment to such registration statement, the date and time as of which such registration statement, as amended by such amendment or post-effective amendment, as the case may be, is declared effective by the Commission. If an additional registration statement has not been filed prior to the execution and delivery of this Agreement but the Company has advised the Representatives that it proposes to file one, "Effective Time" with respect to such additional registration statement means the date and time as of which such registration statement is filed and becomes effective pursuant to Rule 462(b). "Effective Date" with respect to the initial registration statement or the additional registration statement (if any) means the date of the Effective Time thereof. The initial registration statement, as amended at its Effective Time, including all information contained in the additional registration statement (if any) and deemed to be a part of the initial registration statement as of the Effective Time of the additional registration statement pursuant to the General Instructions of the Form on which it is filed and including all information (if any) deemed to be a part of the initial registration statement as of its Effective Time pursuant to Rule 430A(b) ("Rule 430A(b)") under the Act, is hereinafter referred to as the "Initial Registration Statement". The additional registration statement, as amended at its Effective Time, including the contents of the initial registration statement incorporated by reference therein and including all information (if any) deemed to be a part of the additional registration statement as of its Effective Time pursuant to Rule 430A(b), is hereinafter referred to as the "Additional Registration Statement". The Initial Registration Statement and the Additional Registration are hereinafter referred to collectively as the "Registration Statements" and individually as a "Registration Statement". The form of prospectus relating to the Offered Securities, as first filed with the Commission pursuant to and in accordance with Rule 424(b) ("Rule 424(b)") under the Act or (if no such filing is required) as included in a Registration Statement, is hereinafter referred to as the "Prospectus". No document has been or will be prepared or distributed in reliance on Rule 434 under the Act.

(ii) If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement: (A) on the Effective Date of the Initial Registration Statement, the Initial Registration Statement conformed in all respects to the requirements of the Act and the rules and regulations of the Commission ("Rules and Regulations") and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (B) on the Effective Date of the Additional Registration Statement (if any), each Registration Statement conformed or will conform, in all respects to the requirements of the Act and the Rules and Regulations and did not include, or will not include, any untrue statement of a material fact and did not omit, or will not omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (C) on the date of this Agreement, the Initial Registration Statement and, if the Effective Time of the Additional Registration Statement is prior to the execution and delivery of this Agreement, the Additional Registration Statement each conforms, and at the time of filing of the Prospectus pursuant to Rule 424(b) or (if no such filing is required) at the Effective Date of the Additional Registration Statement in which the Prospectus is included, each Registration Statement and the Prospectus will conform, in all respects to the requirements of the Act and the Rules and Regulations, and none of such Registration Statements includes, or will include, any untrue statement of a material fact or omits, or will omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and the Prospectus does not include or will not include an untrue statement of a material fact or does not omit, or

will not omit, to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Effective Time of the Initial Registration Statement is subsequent to the execution and delivery of this Agreement: on the Effective Date of the Initial Registration Statement, the Initial Registration Statement and the Prospectus will conform in all respects to the requirements of the Act and the Rules and Regulations, none of such Registration Statements will include any untrue statement of a material fact or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and the Prospectus does not include or will not include an untrue statement of a material fact or does not omit, or will not omit, to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and no Additional Registration Statement has been or will be filed. The two preceding sentences do not apply to statements in or omissions from a Registration Statement or the Prospectus based upon written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 7(c) hereof.

(iii) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to lease its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in each of the states set forth on Schedule D hereto (the "States"). The States represent all jurisdictions in which the Company's ownership or lease of property or the conduct of its business requires such qualification.

(iv) Each subsidiary of the Company has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its formation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and each subsidiary of the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification; all of the issued and outstanding capital stock of each subsidiary of the Company has been duly authorized and validly issued and is fully paid and nonassessable; and the capital stock of each subsidiary owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects.

(v) The Offered Securities and all other outstanding shares of capital stock of the Company have been duly authorized and validly issued, fully paid and nonassessable and conform to the description thereof contained in the Prospectus; and the stockholders of the Company have no preemptive rights with respect to the Securities.

(vi) Except as disclosed in the Prospectus, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with this offering.

(vii) Except as disclosed in the Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to a Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act that have not been waived or satisfied prior to the date hereof.

(viii) The Securities have been approved for listing subject to notice of issuance on The Nasdaq Stock Market's National Market.

(ix) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required to be obtained or made by the Company for the consummation of the transactions contemplated by this Agreement in connection with the sale of the Offered Securities, except such as have been obtained and made under the Act and such as may be required under state securities laws.

(x) The execution, delivery and performance of this Agreement, and the consummation of the transactions herein contemplated will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or

body or any court, domestic or foreign, having jurisdiction over the Company or any subsidiary of the Company or any of their properties, or any agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject, or the charter or by-laws of the Company or any such subsidiary.

(xi) This Agreement has been duly authorized, executed and delivered by the Company.

(xii) Except as disclosed in the Prospectus, the Company and its subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or reasonably expected to be made thereof by them; and except as disclosed in the Prospectus, the Company and its subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or reasonably expected to be made thereof by them.

(xiii) The Company and its subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate reasonably be expected to have a material adverse effect on the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole ("Material Adverse Effect").

(xiv) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that could reasonably be expected to have a Material Adverse Effect.

(xv) The Company and its subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "intellectual property rights") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(xvi) Except as disclosed in the Prospectus, neither the Company nor any of its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "environmental laws"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

(xvii) Except as disclosed in the Prospectus, there are no pending actions, suits or proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under this Agreement, or which are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are threatened or, to the Company's knowledge, contemplated.

(xviii) The financial statements included in each Registration Statement and the Prospectus present fairly the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis; and the assumptions used in preparing the pro forma financial statements included in each Registration Statement and the Prospectus provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein, the related pro forma adjustments give appropriate effect to those

assumptions, and the pro forma columns therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(xix) Except as disclosed in the Prospectus, since the date of the latest audited financial statements included in the Prospectus there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole, and, except as disclosed in or contemplated by the Prospectus, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(xx) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940.

(xxi) Furthermore, the Company represents and warrants to the Underwriters that (i) the Registration Statement, the Prospectus and any preliminary prospectus comply, and any further amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions specified by the Company to the Underwriters as the foreign jurisdictions in which the Participants are located (the "Specified Foreign Jurisdictions") and in which the Prospectus or any preliminary prospectus, as amended or supplemented, if applicable, are distributed by the Underwriters in accordance therewith in connection with the Directed Share Program, and that (ii) no authorization, approval, consent, license, order, registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary under the securities law and regulations of such Specified Foreign Jurisdictions in which the Directed Shares are offered outside the United States.

(xxii) The Company has not offered, or caused the Underwriters to offer, any offered Securities to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

(b) Each Selling Stockholder severally represents and warrants to, and agrees with, the several Underwriters that:

(i) Such Selling Stockholder has and on each Closing Date hereinafter mentioned will have valid and unencumbered title to the Offered Securities to be delivered by such Selling Stockholder on such Closing Date and full right, power and authority to enter into this Agreement and to sell, assign, transfer and deliver the Offered Securities to be delivered by such Selling Stockholder on such Closing Date hereunder; and upon the delivery of and payment for the Offered Securities on each Closing Date hereunder the several Underwriters will acquire valid and unencumbered title to the Offered Securities to be delivered by such Selling Stockholder on such Closing Date.

(ii) Except as disclosed in the Prospectus, there are no contracts, agreements or understandings between such Selling Stockholder and any person that would give rise to a valid claim against such Selling Stockholder or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with this offering.

(c) Each Initial Selling Stockholder represents and warrants to, and agrees with the several Underwriters that if the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement: (A) on the Effective Date of the Initial Registration Statement, the Initial Registration Statement conformed in all respects to the requirements of the Act and the Rules and Regulations and did not include any

untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (B) on the Effective Date of the Additional Registration Statement (if any), each Registration Statement conformed, or will conform, in all respects to the requirements of the Act and the Rules and Regulations did not include, or will not include, any untrue statement of a material fact and did not omit, or will not omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (C) on the date of this Agreement, the Initial Registration Statement and, if the Effective Time of the Additional Registration Statement is prior to the execution and delivery of this Agreement, the Additional Registration Statement each conforms, and at the time of filing of the Prospectus pursuant to Rule 424(b) or (if no such filing is required) at the Effective Date of the Additional Registration Statement in which the Prospectus is included, each Registration Statement and the Prospectus will conform, in all respects to the requirements of the Act and the Rules and Regulations, and neither of such documents includes, or will include, any untrue statement of a material fact or omits, or will omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading. If the Effective Time of the Initial Registration Statement is subsequent to the execution and delivery of this Agreement: on the Effective Date of the Initial Registration Statement, the Initial Registration Statement and the Prospectus will conform in all respects to the requirements of the Act and the Rules and Regulations, neither of such documents will include any untrue statement of a material fact or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The two preceding sentences apply only to the extent that any statements in or omissions from a Registration Statement or the Prospectus are based on written information furnished to the Company by such Initial Selling Stockholder specifically for use therein.

3. Purchase, Sale and Delivery of Offered Securities. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company and each Initial Selling Stockholder agree, severally and not jointly, to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company and each Selling Stockholder, at a purchase price of $ per share, that number of Firm Securities (rounded up or down, as determined by Credit Suisse First Boston Corporation ("CSFBC") and Deutsche Bank Securities, Inc. ("Deutsche Bank") in its discretion, in order to avoid fractions) obtained by multiplying 5,000,000 Firm Securities in the case of the Company and the number of Firm Securities set forth opposite the name of such Initial Selling Stockholder in Schedule A or Schedule B (as applicable) hereto, in the case of an Initial Selling Stockholder, in each case by a fraction the numerator of which is the number of Firm Securities set forth opposite the name of such Underwriter in Schedule C hereto and the denominator of which is the total number of Firm Securities.

Certificates in negotiable form for the Offered Securities to be sold by the Selling Stockholders hereunder have been placed in custody, for delivery under this Agreement, under Custody Agreements made with American Stock Transfer & Trust Company, as custodian ("Custodian"). Each Selling Stockholder agrees that the shares represented by the certificates held in custody for the Selling Stockholders under such Custody Agreements are subject to the interests of the Underwriters hereunder, that the arrangements made by the Selling Stockholders for such custody are to that extent irrevocable, and that the obligations of the Selling Stockholders hereunder shall not be terminated by operation of law, whether by the death of any individual Selling Stockholder or the occurrence of any other event, or in the case of a trust, by the death of any trustee or trustees or the termination of such trust. If any individual Selling Stockholder or any such trustee or trustees should die, or if any other such event should occur, or if any of such trusts should terminate, before the delivery of the Offered Securities hereunder, certificates for such Offered Securities shall be delivered by the Custodian in accordance with the terms and conditions of this Agreement as if such death or other event or termination had not occurred, regardless of whether or not the Custodian shall have received notice of such death or other event or termination.

The Company and the Custodian will deliver the Firm Securities to the Representatives for the accounts of the Underwriters, against payment of the purchase price in Federal (same day) funds by official bank check or checks or wire transfer to an account at a bank reasonably acceptable to CSFBC and Deutsche Bank drawn to the order of in the case of shares of Firm Securities and in the case of shares of Firm Securities, at the office of , at A.M., New York time, on , or at such other time not later than seven full business days thereafter as CSFBC, Deutsche Bank and the Company determine, such time being herein referred to as the "First Closing Date". The certificates for the Firm Securities so to be delivered will be in definitive form, in such denominations and registered in such names as CSFBC and Deutsche

Bank request and will be made available for checking and packaging at the above office at least 24 hours prior to the First Closing Date.

In addition, upon written notice from CSFBC and Deutsche Bank given to the Company and the Selling Stockholders from time to time not more than 30 days subsequent to the date of the Prospectus, the Underwriters may purchase all or less than all of the Optional Securities at the purchase price per Optional Security to be paid for the Firm Securities. The Selling Stockholders agree, severally and not jointly, to sell to the Underwriters the respective numbers of Optional Securities obtained by multiplying the number of Optional Securities specified in such notice by a fraction the numerator of which is the number of shares set forth opposite the names of such Selling Stockholders in Schedule A or Schedule B (as applicable) hereto under the caption "Number of Optional Securities to be Sold" and the denominator of which is the total number of Optional Securities (subject to adjustment by CSFBC and Deutsche Bank to eliminate fractions). Such Optional Securities shall be purchased from each Selling Stockholder for the account of each Underwriter in the same proportion as the number of Firm Securities set forth opposite such Underwriter's name bears to the total number of Firm Securities (subject to adjustment by CSFBC and Deutsche Bank to eliminate fractions) and may be purchased by the Underwriters only for the purpose of covering over-allotments made in connection with the sale of the Firm Securities. No Optional Securities shall be sold or delivered unless the Firm Securities previously have been, or simultaneously are, sold and delivered. The right to purchase the Optional Securities or any portion thereof may be exercised from time to time and to the extent not previously exercised may be surrendered and terminated at any time upon notice by CSFBC and Deutsche Bank to the Company and the Selling Stockholders.

Each time for the delivery of and payment for the Optional Securities, being herein referred to as an "Optional Closing Date", which may be the First Closing Date (the First Closing Date and each Optional Closing Date, if any, being sometimes referred to as a "Closing Date"), shall be determined by CSFBC and Deutsche Bank but shall be not later than five full business days after written notice of election to purchase Optional Securities is given. The Custodian will deliver the Optional Securities being purchased on each Optional Closing Date to the Representatives for the accounts of the several Underwriters, against payment of the purchase price therefor in Federal (same day) funds by official bank check or checks or wire transfer to an account at a bank acceptable to CSFBC and Deutsche Bank drawn to the order of in the case of Optional Securities and in the case of Optional Securities, at the above office. The certificates for the Optional Securities being purchased on each Optional Closing Date will be in definitive form, in such denominations and registered in such names as CSFBC and Deutsche Bank request upon reasonable notice prior to such Optional Closing Date and will be made available for checking and packaging at the above office of Latham & Watkins at a reasonable time in advance of such Optional Closing Date.

4. Offering by Underwriters. It is understood that the several Underwriters propose to offer the Offered Securities for sale to the public as set forth in the Prospectus.

5. Certain Agreements of the Company and the Selling Stockholders. The Company agrees with the several Underwriters and the Selling Stockholders that:

(a) If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement, the Company will file the Prospectus with the Commission pursuant to and in accordance with subparagraph (1) (or, if applicable and if consented to by CSFBC and Deutsche Bank, subparagraph (4)) of Rule 424(b) not later than the earlier of (A) the second business day following the execution and delivery of this Agreement or (B) the fifteenth business day after the Effective Date of the Initial Registration Statement.

The Company will advise CSFBC and Deutsche Bank promptly of any such filing pursuant to Rule 424(b). If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement and an additional registration statement is necessary to register a portion of the Offered Securities under the Act but the Effective Time thereof has not occurred as of such execution and delivery, the Company will file the additional registration statement or, if filed, will file a post-effective amendment thereto with the Commission pursuant to and in accordance with Rule 462(b) on or prior to 10:00 P.M., New York time, on the date of this Agreement or, if earlier, on or prior to the time the Prospectus is printed and distributed to any Underwriter, or will make such filing at such later time or date as shall have been consented to by CSFBC and Deutsche Bank.

(b) The Company will advise CSFBC and Deutsche Bank promptly of any proposal to amend or supplement the initial or any additional registration statement as filed or the related prospectus or the Initial Registration Statement, the Additional Registration Statement (if any) or the Prospectus and will not effect such amendment or supplementation without CSFBC's or Deutsche Bank's consent, which consent shall not be unreasonably withheld; and the Company will also advise CSFBC and Deutsche Bank promptly of the effectiveness of each Registration Statement (if its Effective Time is subsequent to the execution and delivery of this Agreement) and of any amendment or supplementation of a Registration Statement or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of a Registration Statement and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.

(c) If, at any time when a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company will promptly notify CSFBC and Deutsche Bank of such event and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither CSFBC's or Deutsche Bank's consent to nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(d) As soon as practicable, but not later than the Availability Date (as defined below), the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the Effective Date of the Initial Registration Statement (or, if later, the Effective Date of the Additional Registration Statement) which will satisfy the provisions of Section 11(a) of the Act. For the purpose of the preceding sentence, "Availability Date" means the 45th day after the end of the fourth fiscal quarter following the fiscal quarter that includes such Effective Date, except that, if such fourth fiscal quarter is the last quarter of the Company's fiscal year, "Availability Date" means the 90th day after the end of such fourth fiscal quarter.

(e) The Company will furnish to the Representatives copies of each Registration Statement (of which will be signed and will include all exhibits), each related preliminary prospectus, and, so long as a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, the Prospectus and all amendments and supplements to such documents, in each case in such quantities as CSFBC and Deutsche Bank request. The Prospectus shall be so furnished on or prior to 3:00 P.M., New York time, on the business day following the later of the execution and delivery of this Agreement or the Effective Time of the Initial Registration Statement. All other such documents shall be so furnished as soon as available. The Company and the Selling Stockholders will pay the expenses of printing and distributing to the Underwriters all such documents.

(f) The Company will arrange for the qualification of the Offered Securities for sale under the laws of such U.S. jurisdictions as CSFBC and Deutsche Bank designate and will continue such qualifications in effect so long as required for the distribution; provided, however, that the Company shall not be required in connection therewith to qualify as a foreign corporation in any jurisdiction in which it is not now so qualified or to take any action that would subject it to general consent to service of process or taxation other than as to matters and transactions relating to the Prospectus, the Registration Statement, any preliminary prospectus or the offering or sale of the Offered Securities, in any jurisdiction in which it is not now so subject.

(g) During the period of 5 years hereafter, the Company will furnish to the Representatives and, upon request, to each of the other Underwriters, as soon as practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company will furnish to the Representatives (i) as soon as available, a copy of each report and any definitive proxy statement of the Company filed with the Commission under the Securities Exchange Act of 1934 or mailed to stockholders, and (ii) from time to time, such other information concerning the Company as CSFBC and Deutsche Bank may reasonably request.

(h) For a period of 180 days after the date of the initial public offering of the Offered Securities, the Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to, any additional shares of its Securities or

securities convertible into or exchangeable or exercisable for any shares of its Securities, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of CSFBC and Deutsche Bank, except for (i) the filing of a Registration Statement on Form S-8, (ii) grants of stock options or restricted stock pursuant to the Resources Connection, Inc. 1998 Employee Stock Purchase Plan or the Resources Connection, Inc. 1999 Long-Term Incentive Plan disclosed in the Prospectus and existing on the date hereof, and (iii) issuances of Common Stock upon the exercise of options or warrants in each case outstanding on the date hereof.

(i) The Company agrees with the several Underwriters that the Company will pay all expenses incident to the performance of the obligations of the Company, and each Selling Stockholder agrees with the Underwriters that such Selling Stockholder will pay all expenses incident to the performance of the obligations of such Selling Stockholder, under this Agreement, for any filing fees and other expenses (including fees and disbursements of counsel) in connection with qualification of the Offered Securities for sale under the laws of such jurisdictions as CSFBC and Deutsche Bank designate and the printing of memoranda relating thereto, for the filing fee incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by the National Association of Securities Dealers, Inc. of the Offered Securities, for any travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of the Offered Securities, for any transfer taxes on the sale by such Selling Stockholder of the Offered Securities to the Underwriters and for expenses incurred in distributing preliminary prospectuses and the Prospectus (including any amendments and supplements thereto) to the Underwriters.

(j) Each Selling Stockholder agrees to deliver to CSFBC, attention: Transactions Advisory Group on or prior to the First Closing Date a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof).

(k) Each Selling Stockholder agrees, for a period of 180 days after the date of the initial public offering of the Offered Securities, not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any additional shares of the Securities of the Company or securities convertible into or exchangeable or exercisable for any shares of Securities, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Securities, whether any such aforementioned transaction is to be settled by delivery of the Securities or such other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of CSFBC and Deutsche Bank other than the transfer of Securities to a family member or trust or, if the Selling Stockholder is a partnership, a transfer by the partnership to a partner, a retired partner, or the estate of such partner or retired partner; provided, in each case, the transferee agrees to be bound in writing by the terms of this Section (k) prior to such transfer.

(l) In connection with the Directed Share Program, the Company will ensure that the Directed Shares will be restricted to the extent required by the National Association of Securities Dealers, Inc. (the "NASD") or the NASD rules from sale, transfer, assignment, pledge or hypothecation for a period of three months following the date of the effectiveness of the Registration Statement. The Designated Underwriter will notify the Company as to which Participants will need to be so restricted. The Company will direct the transfer agent to place stop transfer restrictions upon such securities for such period of time.

(m) The Company will pay all fees and disbursements of counsel incurred by the Underwriters in connection with the Directed Shares Program and stamp duties, similar taxes or duties or other taxes, if any, incurred by the underwriters in connection with the Directed Share Program.

Furthermore, the Company covenants with the Underwriters that the Company will comply with all applicable securities and other applicable laws, rules and regulations in each Specified Foreign Jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

6. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Firm Securities on the First Closing Date and the Optional Securities to be purchased on each Optional Closing Date will be subject to the accuracy of the representations and warranties on the part of the

Company and the Selling Stockholders herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company and the Selling Stockholders of their obligations hereunder and to the following additional conditions precedent:

(a) The Representatives shall have received a letter, dated the date of delivery thereof (which, if the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement, shall be on or prior to the date of this Agreement or, if the Effective Time of the Initial Registration Statement is subsequent to the execution and delivery of this Agreement, shall be prior to the filing of the amendment or post-effective amendment to the registration statement to be filed shortly prior to such Effective Time), of PricewaterhouseCoopers LLP confirming that they are independent public accountants within the meaning of the Act and the applicable published Rules and Regulations thereunder and stating to the effect that:

(i) in their opinion the financial statements and schedules examined by them and included in the Registration Statements comply as to form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations;

(ii) they have performed the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information as described in Statement of Auditing Standards No. 71, Interim Financial Information, on the unaudited financial statements included in the Registration Statements;

(iii) on the basis of a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) the unaudited financial statements included in the Registration Statements do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations or any material modifications should be made to such unaudited financial statements for them to be in conformity with generally accepted accounting principles;

(B) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than three business days prior to the date of this Agreement, there was any change in the capital stock or any increase in short-term indebtedness or long-term debt of the Company and its consolidated subsidiaries or, at the date of the latest available balance sheet read by such accountants, there was any decrease in consolidated net current assets or net assets, as compared with amounts shown on the latest balance sheet included in the Prospectus; or

(C) for the period from the closing date of the latest income statement included in the Prospectus to the closing date of the latest available income statement read by such accountants there were any decreases, as compared with the corresponding period of the previous year and with the period of corresponding length ended the date of the latest income statement included in the Prospectus, in consolidated net sales or net operating income in the total or per share amounts of consolidated net income;

except in all cases set forth in clauses (A) and (B) above for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(iv) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Registration Statements (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

For purposes of this subsection, (i) if the Effective Time of the Initial Registration Statements is subsequent to the execution and delivery of this Agreement, "Registration Statements" shall mean the initial registration statement as proposed to be amended by the amendment or post-effective amendment to be filed shortly prior to its Effective Time, (ii) if the Effective Time of the Initial Registration Statements is prior to the execution and delivery of this Agreement but the Effective Time of the Additional Registration Statement is subsequent to such execution and delivery, "Registration Statements" shall mean the Initial Registration Statement and the additional registration statement as proposed to be filed or as proposed to be amended by the post-effective amendment to be filed shortly prior to its Effective Time, and (iii) "Prospectus" shall mean the prospectus included in the Registration Statements.

(b) If the Effective Time of the Initial Registration Statement is not prior to the execution and delivery of this Agreement, such Effective Time shall have occurred not later than 10:00 P.M., New York time, on the date of this Agreement or such later time or date as shall have been consented to by CSFBC and Deutsche Bank. If the Effective Time of the Additional Registration Statement (if any) is not prior to the execution and delivery of this Agreement, such Effective Time shall have occurred not later than 10:00 P.M., New York time, on the date of this Agreement or, if earlier, the time the Prospectus is printed and distributed to any Underwriter, or shall have occurred at such later time or date as shall have been consented to by CSFBC and Deutsche Bank. If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement, the Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 5(a) of this Agreement. Prior to such Closing Date, no stop order suspending the effectiveness of a Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of any Selling Stockholder, the Company or the Representatives, shall be contemplated by the Commission.

(c) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as one enterprise which, in the judgment of a majority in interest of the Underwriters including the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (iv) any banking moratorium declared by U.S. Federal or New York authorities; or (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriters including the Representatives, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities.

(d) The Representatives shall have received an opinion, dated such Closing Date, of O'Melveny & Myers, LLP ("O'Melveny"), counsel for the Company, to the effect that:

(i) The Company has been duly incorporated and is validly existing and in good standing under the laws of the State of Delaware, with corporate power and authority to own its properties and conduct its business as described in the Prospectus; and the Company is qualified as a foreign corporation in each of the states set forth on Schedule D hereto and is in good standing in each of those states;

(ii) The Offered Securities delivered on such Closing Date and all other outstanding shares of the Common Stock of the Company have been duly authorized by all necessary corporate action on the part of the Company and, upon payment for and delivery of the Offered Securities in accordance with this Agreement and the countersigning of the certificate or certificates representing the Securities by a duly authorized signatory of the registrar for the Company's Common Stock, the Securities will be validly issued, fully paid and

nonassessable and the stockholders of the Company have no preemptive rights with respect to the Securities under applicable law, the Company's charter or bylaws or, to such counsel's knowledge, any other agreement or instrument to which the Company is a party or by which the Company is bound;

(iii) The statements in the Prospectus under the caption "Description of Capital Stock," insofar as they summarize provisions of the Company's charter and bylaws, fairly represent the information required by Form S-1;

(iv) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940;

(v) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required on the part of the Company for the execution, delivery and performance of this Agreement or the Custody Agreement in connection with the sale of the Offered Securities, except such as have been obtained under the Act and such as may be required under state securities laws;

(vi) The execution and delivery by the Company of this Agreement and the Custody Agreement do not, and the Company's performance of its obligations under this Agreement will not, (i) violate the current Delaware General Corporation Law or any current New York or federal statute, rule or regulation that we have, in the exercise of customary professional diligence, recognized as applicable to the Company or to transactions of the type contemplated by this Agreement except that we express no opinion regarding any federal securities law or Blue Sky or state securities laws except as otherwise expressly stated herein, (ii) violate the Company's Second Restated Certificate of Incorporation or Amended and Restated Bylaws, (iii) violate, breach or result in a default under any other agreement (the "Other Agreements") listed as an exhibit to the Registration Statement, or (iv) breach or otherwise violate any existing obligation of or restriction on the Company under any order, judgment or decree of any New York or federal court or governmental authority binding on the Company of which we have knowledge;

(vii) The execution and delivery of this Agreement and the Custody Agreement have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement and the Custody Agreement has been duly executed and delivered by the Company; and

(viii) The Initial Registration Statement was declared effective under the Act as of the date and time specified in such opinion, the Additional Registration Statement (if any) was filed and became effective under the Act as of the date and time (if determinable) specified in such opinion, the Prospectus either was filed with the Commission pursuant to the subparagraph of Rule 424(b) specified in such opinion on the date specified therein or was included in the Initial Registration Statement or the Additional Registration Statement (as the case may be), and, to such counsel's knowledge, no stop order suspending the effectiveness of a Registration Statement or any part thereof has been issued and [no proceedings for that purpose have been instituted or are pending or contemplated under the Act;

(ix) Each Registration Statement and the Prospectus, and each amendment or supplement thereto, as of their respective effective or issue dates, appeared on its face to comply in all material respects with the requirements as to form for registration statements on Form S-1 under the Act and the Rules and Regulations;

(x) The descriptions in the Registration Statements and Prospectus of statutes, legal and governmental proceedings and contracts and other documents are accurate and fairly present the information required to be shown; and such counsel do not know of any legal or governmental proceedings required to be described in a Registration Statement or the Prospectus which are not described as required or of any contracts or documents of a character required to be described in a Registration Statement or the Prospectus or to be filed as exhibits to a Registration Statement which are not described and filed as required;

In addition, O'Melveny shall state as follows: In connection with its participation in conferences in connection with the preparation of the Registration Statement and the Prospectus, O'Melveny has not independently verified the accuracy, completeness or fairness of the statements contained therein, and the limitations

inherent in the examination made by it and the knowledge available to it are such that it is unable to assume, and does not assume, any responsibility for such accuracy, completeness or fairness (except as otherwise specifically stated in paragraph (iii) above). However, on the basis of O'Melveny's review and participation in conferences in connection with the preparation of the Registration Statement and the Prospectus, it does not believe that any part of a Registration Statement or any amendment thereto, as of its effective date or as of such Closing Date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading; or that the Prospectus or any amendment or supplement thereto, as of its issue date or as of such Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, it being understood that O'Melveny expresses no opinion or belief as to the financial statements or other financial data contained in the Registration Statement or the Prospectus;

(e) The Representatives shall have received the opinion contemplated in the Power of Attorney executed and delivered by each Evercore Selling Stockholder and an opinion substantially in the form of Exhibit A attached hereto, dated such Closing Date, of Simson, Thacher & Bartlett, counsel for the Evercore Selling Stockholders.

(f) The Representatives shall have received the opinion contemplated in the Power of Attorney executed and delivered by each Other Selling Stockholder and an opinion substantially in form of that attached as Exhibit B hereto, dated such Closing Date, of O'Melveny, counsel for the Other Selling Stockholders.

(g) The Representatives shall have received from Latham & Watkins, counsel for the Underwriters, such opinion or opinions, dated such Closing Date, with respect to the incorporation of the Company, the validity of the Offered Securities delivered on such Closing Date, the Registration Statements, the Prospectus and other related matters as the Representatives may require, and the Selling Stockholders and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters. In rendering such opinion, Latham & Watkins may rely as to the incorporation of the Company and all other matters governed by Delaware law upon the opinion of O'Melveny referred to above in Section 6(d).

(h) The Representatives shall have received a certificate, dated such Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that: the representations and warranties of the Company in this Agreement are true and correct; the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date; no stop order suspending the effectiveness of any Registration Statement has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission; the Additional Registration Statement (if any) satisfying the requirements of subparagraphs (1) and (3) of Rule 462(b) was filed pursuant to Rule 462(b), including payment of the applicable filing fee in accordance with Rule 111(a) or (b) under the Act, prior to the time the Prospectus was printed and distributed to any Underwriter; and, subsequent to the dates of the most recent financial statements in the Prospectus, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in or contemplated by the Prospectus or as described in such certificate.

(i) The Representatives shall have received a letter, dated such Closing Date, of PricewaterhouseCoopers LLP which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three business days prior to such Closing Date for the purposes of this subsection.

(j) Prior to the date of this Agreement, the Representatives shall have received lock-up letters from each of executive officers and directors of the Company and from all other stockholders and optionholders of the Company.

The Selling Stockholders and the Company will furnish the Representatives with such conformed copies of such opinions, certificates, letters and documents as the Representatives reasonably requests. CSFBC and Deutsche Bank, acting together, may in their sole discretion, waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters hereunder, whether in respect of an Optional Closing Date or otherwise.

7. Indemnification and Contribution.

(a) The Company will indemnify and hold harmless each Underwriter, its partners, directors and officers and each person, if any who controls such Underwriter within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or alleged omission to state in any Registration Statement, or amendment or supplement thereto, a material fact required to be stated therein or necessary to make the statements therein not misleading, or arise out of or are based upon the omission or alleged omission to state in the Prospectus or any amendment or supplement thereto, or any related preliminary prospectus, a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in subsection (d) below; and provided, further, that with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from any preliminary prospectus the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities purchased the Offered Securities concerned, to the extent that a prospectus relating to such Offered Securities was required to be delivered by such Underwriter under the Act in connection with such purchase and any such loss, claim, damage or liability of such Underwriter results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Offered Securities to such person, a copy of the Prospectus if the Company had previously furnished copies thereof to such Underwriter.

The Company agrees to indemnify and hold harmless the Designated Underwriter and each person, if any, who controls the Designated Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act (the "Designated Entities"), from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of the Designated Entities.

(b) Each Management Selling Stockholder, severally, will indemnify and hold harmless each Underwriter, its partners, directors and officers and each person who controls such Underwriter within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the aggregate liability of any Management Selling Stockholder pursuant to this Section 7(b) will be limited to an amount equal to the proceeds, net of the underwriting discounts, received by such Management Selling Stockholder from such Management Selling Stockholder's sale of Offered Securities to the

Underwriters; provided, further, that no Management Selling Stockholder will be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by an Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in subsection (d) below.

In addition, the Company and each of the Underwriters agree with each of the Management Selling Stockholders that any claim of such Underwriter against the Management Selling Stockholders for indemnification, reimbursement or advancement of expenses pursuant to this Section 7 or for breach of any representation or warranty in Section 2 hereof shall first be sought by such Underwriter to be satisfied in full by the Company and shall be satisfied by the Management Selling Stockholders only to the extent that such claim has not been satisfied in full by the Company for any reason within the 30-day period following the date requested for payment in accordance with the terms of this Agreement. The Company and the Management Selling Stockholders may agree, as among themselves and without limiting the rights of the Underwriters under this Agreement, as to the respective amounts of such liability for which they each shall be responsible, including, without limitation, allocating between the Company and the Management Selling Stockholders the liability resulting from a breach of the representations and warranties of the Company and the Management Selling Stockholders hereunder. The indemnity provided for in this Section 7 shall be in addition to any liability which such Management Selling Stockholder may otherwise have. No Management Selling Stockholder will, without the prior written consent of the Representatives, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not any such Representatives or any person who controls any such Representatives is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of all of the Underwriters and such controlling persons from all liability arising out of such claim, action, suit or proceeding.

(c) Each Initial Selling Stockholder will indemnify and hold harmless each Underwriter, its partners, directors and officers and each person who controls such Underwriter within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the aggregate liability of any Initial Selling Stockholder pursuant to this Section 7(c) will be limited to an amount equal to the proceeds, net of the underwriting discounts, received by such Initial Selling Stockholder from such Initial Selling Stockholder's sale of Offered Securities to the Underwriters; provided, further, that no Initial Selling Stockholder will be liable in any such case unless such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by such Initial Selling Stockholder for use therein, it being understood and agreed that only such information furnished by any Underwriter consists of the information described as such in subsection (d) below.

(d) Each Underwriter will severally and not jointly indemnify and hold harmless the Company, its directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Act, and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for use therein,

and will reimburse any legal or other expenses reasonably incurred by the Company and each Selling Stockholder in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the last paragraph at the bottom of the cover page concerning the terms of the offering by the Underwriters, the legend concerning over-allotments, stabilizing and passive market making on the inside front cover page and, the concession and reallowance figures appearing in the fourth paragraph under the caption "Underwriting."

(e) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under subsection (a), (b), (c) or (d) above notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a), (b), (c) or (d) above. In case any such action is brought against any indemnified party and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. Notwithstanding anything contained herein to the contrary, if indemnity may be sought pursuant to the last paragraph in Section 7(a) hereof in respect of such action or proceeding, then in addition to such separate firm for the indemnified parties, the indemnifying party shall be liable for the reasonable fees and expenses of not more than one separate firm (in addition to any local counsel) for the Designated Underwriter for the defense of any losses, claims, damages and liabilities arising out of the Directed Share Program, and all persons, if any, who control the Designated Underwriter within the meaning of either Section 15 of the Act of Section 20 of the Exchange Act. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such (i) settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party.

(f) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a), (b), (c) or (d) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a), (b), (c) or (d) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholder on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholders or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (f) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (f). Notwithstanding the provisions of this subsection (f), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required

to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (f) to contribute are several in proportion to their respective underwriting obligations and not joint.

(g) The obligations of the Company and the Selling Stockholders under this Section shall be in addition to any liability which the Company and the Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed a Registration Statement and to each person, if any, who controls the Company within the meaning of the Act.

8. Default of Underwriters. If any Underwriter or Underwriters default in their obligations to purchase Offered Securities hereunder on either the First or any Optional Closing Date and the aggregate number of shares of Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date, CSFBC and Deutsche Bank may make arrangements satisfactory to the Company and the Selling Stockholders for the purchase of such Offered Securities by other persons, including any of the Underwriters, but if no such arrangements are made by such Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate number of shares of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date and arrangements satisfactory to CSFBC and Deutsche Bank, the Company and the Selling Stockholders for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter, the Company or the Selling Stockholders, except as provided in Section 9 (provided that if such default occurs with respect to Optional Securities after the First Closing Date, this Agreement will not terminate as to the Firm Securities or any Optional Securities purchased prior to such termination). As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

9. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Selling Stockholders, of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, any Selling Stockholder, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Offered Securities by the Underwriters is not consummated, the Company and the Selling Stockholders shall remain responsible for the expenses to be paid or reimbursed by them pursuant to Section 5 and the respective obligations of the Company, the Selling Stockholders, and the Underwriters pursuant to Section 7 shall remain in effect, and if any Offered Securities have been purchased hereunder the representations and warranties in Section 2 and all obligations under Section 5 shall also remain in effect. If the purchase of the Offered Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (iii), (iv) or (v) of Section 6(c), the Company and the Selling Stockholders will, jointly and severally, reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities.

10. Notices. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to the Representatives, c/o Credit Suisse First Boston Corporation, Eleven Madison Avenue, New York, N.Y. 10010-3629, Attention: Investment Banking Department - Transactions Advisory Group, to Deutsche Bank Securities Inc., 31 West 52nd Street, New York, New York 10019, Attention: General Counsel, or, if sent to the Company, the Management Selling Stockholders or the Other Selling Stockholders, will be mailed, delivered or telegraphed and confirmed to it at 695 Town Center Drive, Suite 600,

Costa Mesa, California 92626, Attention: Stephen Giutso, or, if sent to the Evercore Selling Stockholders or any of them, will be mailed, delivered or telegraphed and confirmed to such Evercore Selling Stockholder at Evercore Partners L.L.C., 65 East 55th Street, 33rd Floor, New York, New York, 10022, Attention: David G. Offensend; provided, however, that any notice to an Underwriter pursuant to Section 7 will be mailed, delivered or telegraphed and confirmed to such Underwriter.

11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective personal representatives and successors and the officers and directors and controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder.

12. Representation. The Representatives will act for the several Underwriters in connection with the transactions contemplated by this Agreement, and any action under this Agreement taken by the Representatives jointly or by CSFBC and by Deutsche Bank will be binding upon all the Underwriters. David G. Offensend will act for the Selling Stockholders in connection with such transactions, and any action under or in respect of this Agreement taken by David G. Offensend will be binding upon the Selling Stockholders.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

[Signature pages follow]

If the foregoing is in accordance with the Representatives' understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement among the Selling Stockholders, the Company and the several Underwriters in accordance with its terms.

Very truly yours,

COMPANY

RESOURCES CONNECTION, INC.

By:_____

Name:_____

Title:_____

EVERCORE SELLING STOCKHOLDERS

Evercore Capital Partners L.P.

_____
By: David G. Offensend
Title: Attorney-in-Fact

Evercore Capital Partners (NQ) L.P.

_____
By: David G. Offensend
Title: Attorney-in-Fact

Evercore Capital Offshore Partners

_____
By: David G. Offensend
Title: Attorney-in-Fact

Evercore Co-Investment Partnership L.P.

_____
By: David G. Offensend
Title: Attorney-in-Fact

OTHER SELLING STOCKHOLDERS

BancBoston Investments Inc.

_____
By: David G. Offensend
Title: Attorney-in-Fact

Mainz Holdings Ltd.

_____
By: David G. Offensend
Title: Attorney-in-Fact

Richard D. Gersten

_____
By: David G. Offensend
Title: Attorney-in-Fact

Paul S. Lattianzio

_____
By: David G. Offensend
Title: Attorney-in-Fact

Gerald Rosenfeld

_____
By: David G. Offensend
Title: Attorney-in-Fact

Rosenfeld August 2000 Grat

_____
By: David G. Offensend
Title: Attorney-in-Fact

MANAGEMENT SELLING STOCKHOLDERS

The Murray Family Trust

_____
By: David G. Offensend
Title: Attorney-in-Fact

Stephen J. Giusto

_____
By: David G. Offensend
Title: Attorney-in-Fact

Brent M. Longnecker

_____

By: David G. Offensend
Title: Attorney-in-Fact

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

Credit Suisse First Boston Corporation

Deutsche Bank Securities Inc.

Robert W. Baird & Co. Incorporated

Acting on behalf of themselves and as the Representatives of the several Underwriters.

By: Credit Suisse First Boston Corporation

By:_____

Name:_____

Title:_____

By: Deutsche Bank Securities Inc.

By:_____

Name:_____

Title:_____

SCHEDULE A

Evercore Selling Stockholders	Number of Firm Securities to be Sold	Number of Optional Securities to be Sold
Evercore Capital Partners L.P.	824,253	451,226
Evercore Capital Partners (NQ) L.P.	198,619	108,731
Evercore Capital Offshore Partners L.P.	217,288	118,948
Evercore Co-Investment Partnership L.P.	85,774	46,956
Total	1,325,929	725,861

SCHEDULE B

Other Selling Stockholders	Number of Firm Securities to be Sold	Number of Optional Securities to be Sold
BancBoston Investments Inc.	64,298	35,199
Mainz Holdings Ltd.	62,205	34,053
Richard D. Gersten	1,829	1,001
Paul S. Lattanzio	14,637	8,013
Gerald Rosenfeld	11,102	5,675
Rosenfeld August 2000 GRAT	20,000	11,351
Total	174,071	95,292

Management Selling Stockholders	Number of Firm Securities to be Sold	Number of Optional Securities to be Sold
The Murray Family Trust	--	49,423
Stephen J. Giusto	--	49,423
Brent M. Longnecker	--	55,000
Total		153,846

SCHEDULE C

Underwriter	Number of Firm Securities to be Purchased
Credit Suisse First Boston Corporation.....	
Deutsche Bank Securities Inc.....	
Robert W. Baird & Co.....	
Total.....	6,500,000

EXHIBIT A

FORM OPINION OF SIMPSON, THACHER & BARTLETT

TO BE DELIVERED PURSUANT TO SECTION 6(e)

(i) The Evercore Selling Stockholders are the sole registered owners of the Offered Securities to be sold by the Evercore Selling Stockholders, the Evercore Selling Stockholders which are Delaware limited partnerships have full partnership power, right and authority to sell such Offered Securities and upon payment for and delivery of such Offered Securities in accordance with this Agreement, the Underwriters will acquire all the rights of the Evercore Selling Stockholders in the Offered Securities and will also acquire their interest in such Offered Securities free of any adverse claim.

(ii) The Underwriting Agreement has been duly authorized, executed and delivered by or on behalf of the Evercore Selling Stockholders.

(iii) The Custody Agreement and Power of Attorney have been duly authorized, executed and delivered by or on behalf of the Evercore Selling Stockholders.

(iv) The sale of the Offered Securities by the Evercore Selling Stockholders and the compliance by the Evercore Selling Stockholders with all of the provisions of the Custody Agreement and this Agreement will not breach or result in a default under, any indenture, mortgage deed of trust, loan agreement or other agreement or instrument identified on the annexed schedule furnished to us by the Evercore Selling Stockholders, nor will such action violate the respective partnership agreement of the Evercore Selling Stockholders or any Federal or New York statute or the Delaware Revised Uniform Limited Partnership Act or any rule or regulation that has been issued pursuant to any Federal or New York statute or the Delaware Revised Uniform Limited Partnership Act by any court or governmental agency or body or court having jurisdiction over the Evercore Selling Stockholders or any of its subsidiaries or any of its properties.

(v) No consent, approval, authorization, order, registration or qualification of or with any Federal or New York governmental agency or body or any Delaware governmental agency or body acting pursuant to the Delaware Revised Uniform Limited Partnership Act or, to our knowledge, any Federal or New York court or any Delaware court acting pursuant to the Delaware Revised Uniform Limited Partnership Act is required for the compliance by the Evercore Selling Stockholders with all of the applicable provisions of the Custody Agreement and this Agreement, except for the registration under the Act and the Exchange Act of the Offered Securities, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Offered Securities by the Underwriters.

EXHIBIT B

FORM OPINION OF O'MELVENY & MYERS

TO BE DELIVERED PURSUANT TO SECTION 6(f)

(i) Upon payment for and delivery to the Underwriters in New York of the number of Offered Securities sold by each Other Selling Stockholder in accordance with this Agreement, assuming each of the Underwriters is acquiring the Offered Securities without notice of any adverse claim, the Underwriters will acquire the Offered Securities free and clear of any adverse claim as defined in Article 8 of the Uniform Commercial Code.

(ii) No order, consent, permit or approval of any California, New York or federal governmental authority is required on the part of each Other Selling Stockholder for the execution and delivery of the Custody Agreement, this Agreement or the sale of the Offered Securities, except such as have been obtained under the Act, and such as may be required under the securities or blue sky laws of any other jurisdiction.

(iii) Neither the sale of the Offered Securities being sold by each Other Selling Stockholder under this Agreement nor the consummation of the other transactions therein contemplated by each Selling Stockholder will (i) violate, breach or result in a default under any existing obligation of or restriction on such Other Selling Stockholder under any indenture or other agreement material to such Other Selling Stockholder or under the charter and bylaws of an Other Selling Stockholder if the Other Selling Stockholder is a corporation, (ii) breach or otherwise violate any existing obligation of or restriction on such Other Selling Stockholder under any order, judgment or decree of any court or governmental authority binding on such Other Selling Stockholder, or (iii) violate any current California, New York or federal statute, rule or regulation recognized as applicable to such Other Selling Stockholder or to the transactions of the type contemplated by the Custody Agreement or this Agreement. However, we express no opinion regarding any federal securities laws, or blue sky or state securities laws, or the provisions of Section 8 of the Custody Agreement or this Agreement, except as otherwise expressly stated herein.

(iv) Each of the Custody Agreement and the Power of Attorney has been duly executed and delivered by each Other Selling Stockholder, and constitutes the legally valid and binding obligation of each Other Selling Stockholder, enforceable against each Other Selling Stockholder in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws) and by general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law.

(v) Upon execution and delivery of this Agreement by one of the Attorneys (as defined in the Power of Attorney) on behalf of each Other Selling Stockholder, this Agreement will have been duly executed and delivered by such Other Selling Stockholder.

EXHIBIT 4.2

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STOCKHOLDERS AGREEMENT

AMONG

RESOURCES CONNECTION, INC.

and

THE STOCKHOLDERS SIGNATORY HERETO

Dated as of December 11, 2000

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Stockholders Agreement (the "Agreement"), dated as of December 11, 2000, among Resources Connection, Inc., a Delaware corporation (the "Company"), the stockholders listed on Schedule I (the "Evercore Stockholders") and the stockholders listed on Schedule II (the "Management Stockholders") (each of the Evercore Stockholders and the Management Stockholders is sometimes hereinafter referred to individually as a "Stockholder Group").

WHEREAS, the Evercore Stockholders and the Management Stockholders beneficially own shares of Common Stock in the amounts set forth on Schedules I and II, respectively; and

WHEREAS, the parties desire to establish in this Agreement certain terms and conditions relating to their investment in the Company, including certain aspects of the corporate governance of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. As used in this Agreement, the following terms have the following meanings:

(a) "Affiliate" has the same meaning as in Rule 12b-2 promulgated under the Exchange Act.

(b) "Associate" has the same meaning as in Rule 12b-2 promulgated under the Exchange Act.

(c) "Beneficial owner" and to "beneficially own" has the same meaning as in Rule 13d-3 promulgated under the Exchange Act.

(d) "Board of Directors" means the Board of Directors of the Company.

(e) "Common Stock" means the common stock, par value $.01 per share, of the Company.

(f) "Director" means a member of the Board of Directors.

(g) "Effective Date" means the closing of the underwritten initial public offering of shares of Common Stock.

(h) "Equity Security" means any (i) Common Stock, (ii) securities of the Company convertible into or exchangeable for Common Stock, and (iii) options, rights, warrants and similar securities issued by the Company to acquire Common Stock.

(i) "Evercore's Interest" means the percentage of outstanding Common Stock that is beneficially owned by the Evercore Stockholders.

(j) "Exchange Act" means the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder, as amended.

(k) "Holder" shall mean any holder of Registrable Securities.

(l) "Independent Director" means a director of the Company (i) who is not and has never been an officer or employee of the Company, any Affiliate or Associate of the Company or an entity that derived 10% or more of its revenues or earnings in its most recent fiscal year from transactions involving the Company or any Affiliate or Associate of the Company, (ii) who is not and has never been an officer, employee or director of Evercore Capital Partners L.P., Evercore Capital Partners (NQ) L.P., Evercore Capital Offshore Partners L.P. and Evercore Co-Investment Partnership L.P. (collectively, "Evercore"), any Affiliate or Associate of Evercore or an entity that derived more than 10% of its revenues or earnings in its most recent fiscal year from transactions involving Evercore or any Affiliate or Associate of Evercore.

(m) "Initial Stockholders Agreement" means the Stockholders Agreement made as of April 1, 1999, among RC Transaction Corp., a Delaware corporation, the stockholders listed on Schedule I to such agreement, the stockholders listed on Schedule II to such agreement, and the stockholders listed on Schedule III to such agreement.

(n) "Management's Interest" means the percentage of outstanding Common Stock that is beneficially owned by the Management Stockholders.

(o) "Nominating Group" means a majority of the entire Board of Directors at any time.

(p) "Other Holders" means Persons other than Holders who, by virtue of agreements with the Company, are entitled to include their securities in certain registrations hereunder.

(q) "Other Securities" means securities of the Company, other than Registrable Securities that, by virtue of agreements between Other Holders and the Company, are entitled to be included in certain registrations hereunder.

(r) "Register," "registered" and "registration" shall refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act and the declaration or ordering of effectiveness of such registration statement or document.

(s) "Registration Expenses" means any and all expenses incident to performance of or compliance with Article III of this Agreement, including (a) all SEC and securities exchange or NASD registration and filing fees (including, if applicable, the fees and expenses of any "qualified independent underwriter," as such term is defined in Schedule E to the bylaws of the NASD, and of its counsel), (b) all fees and expenses of complying with securities or blue sky laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities), (c) all printing, messenger and delivery expenses, (d) all fees and

expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or NASD pursuant to Section 3.2(h)(i), (e) the reasonable fees and disbursements of counsel for the Company and of its independent public accountants, including the reasonable expenses of any special audits (provided nothing in this Agreement shall require the Company to conduct a special audit) and/or "cold comfort" letters required by or incident to such performance and compliance, (f) the reasonable fees and disbursements of one counsel selected pursuant to Section 3.7, (g) any reasonable fees and disbursements of underwriters customarily paid by the issuers or sellers of securities, including liability insurance if the Company so desires or if the underwriters so require, and the reasonable fees and expenses of any special experts retained by the Company in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, and (h) expenses incurred in connection with any road show (including the reasonable out-of-pocket expenses of the Demand Party).

(t) "Registrable Securities" shall mean (i) any Common Stock held by the Evercore Stockholders or the Management Stockholders, in each case in the amounts set forth on Schedules I and II hereto, respectively, (ii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, option or other convertible security which is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, such Common Stock and (iii) any Common Stock issued by way of a stock split of the Common Stock referred to in clauses (i) or (ii) above. For purposes of this Agreement, any Registrable Securities shall cease to be Registrable Securities when (v) a registration statement covering such Registrable Securities has been declared effective and such Registrable Securities have been disposed of pursuant to such effective registration statement, (w) such Registrable Securities shall have been distributed pursuant to Rule 144 (or any similar provision then in effect) under the Securities Act, (x) such Registrable Securities are sold by a person in a transaction in which the rights under the provisions of this Agreement are not assigned, (y) such Registrable Securities shall cease to be outstanding or (z) such Registrable Securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of them shall not require registration or qualification of them under the Securities Act, any state securities or blue sky law, or any other applicable law then in force.

(u) "SEC" means the Securities and Exchange Commission.

(v) "Securities Act" means the Securities Act of 1933, and the rules and regulations promulgated thereunder, as amended.

(w) "Subsidiary" has the same meaning as in Rule 12b-2 promulgated under the Exchange Act.

ARTICLE II

CORPORATE GOVERNANCE

SECTION 2.1. Composition of the Board of Directors (a) At the Effective Date, the Board of Directors shall be comprised of nine directors (the "Initial Directors"), (i) three directors designated by the Evercore Stockholders and listed on Exhibit B, (ii) three directors designated by the Management Stockholders and listed on Exhibit B and (iii) three Independent Directors listed on Exhibit B. The Nominating Group shall designate the Independent Directors and any replacements thereof.

(b) At all times during the term of this Agreement that Evercore's Interest is:

(i) below 7.5%, the Evercore Stockholders shall have no right to designate any Directors;

(ii) 7.5% or above but less than 16.5%, the Evercore Stockholders shall have the right to designate one Director;

(iii) 16.5% or above but less than 27.5%, the Evercore Stockholders shall have the right to designate two Directors; and

(iv) above 27.5%, the Evercore Stockholders shall have the right to designate three Directors.

(c) At all times during the term of this Agreement that Management's Interest is:

(i) below 7.5%, the Management Stockholders shall have no right to designate any Directors;

(ii) 7.5% or above but less than 16.5%, the Management Stockholders shall have the right to designate one Director;

(iii) 16.5% or above but less than 27.5%, the Management Stockholders shall have the right to designate two Directors; and

(iv) above 27.5%, the Management Stockholders shall have the right to designate three Directors.

(d) The Company shall take such action as may be required under applicable law to cause the Board of Directors to consist of the number of Directors specified in clauses 2.1(a) - (c), as applicable. The Company shall also take such action as may be required under applicable law to cause the Directors generally, and the Directors designated by each of the Evercore Stockholders and the Management Stockholders to be divided as equally as practicable among each class of directors.

(e) Notwithstanding the foregoing and subject to the other provisions of this Agreement, each party to this Agreement hereby agrees that the number of directorships

on the Board of Directors may be increased or decreased from time to time as the Board of Directors determines to be in the best interests of the Company; provided however, in the event that the Board of Directors determines to increase or decrease the number of directorships on the Board of Directors, the composition of the Board will be as set forth on Exhibit A hereto. Without the written consent of the Evercore Stockholders and the Management Stockholders, the Company agrees not to take any action (other than any action required to reduce the size of the Board of Directors to give effect to the provisions of Sections 2.1(b) and 2.1(c) hereof) that would cause the number of Directors constituting the entire Board to be other than six, nine, or twelve Directors, except that the Company may increase the number of Directors to ten or eleven, having the composition set forth on Exhibit A hereto, without such consent provided that the new Directors are appointed to the Board in connection with an acquisition pursuant to which the Company issues at least 5% of its Common Stock (measured prior to issuance) and such new Directors are executive officers or directors of the acquisition target.

(f) The party who designated a Director shall have the right to designate any replacement for such director in accordance with Section 2.1, at the termination of such director's term or upon death, resignation, retirement, disqualification, and removal from office or other cause. The Board of Directors shall elect each person so designated upon nomination by the Nominating Group.

(g) Each person designated as a nominee for Director pursuant to this Section 2.1 shall be nominated for such position by the Board of Directors unless the Board of Directors, in the execution of its fiduciary duties, shall reasonably determine such designee is not qualified to serve on the Board of Directors. If the Board of Directors shall reasonably determine that such designee is not so qualified, the designating person shall have the opportunity to specify one or more additional designees who shall become nominees subject to the qualification set forth in the immediately preceding sentence.

SECTION 2.2. Solicitation and Voting of Shares. (a) In any election of Directors or any meeting of the stockholders of the Company called expressly for the approval of Directors or any written consent relating to the election of Directors, each party to this Agreement will vote their shares of Common Stock in favor of each Stockholder Group's nominees for the Board of Directors and against any actions that would frustrate the provisions of this Article II.

SECTION 2.3. Committees. (a) Except as otherwise provided under applicable law or regulation, the Company shall cause any executive committee, compensation committee, audit committee, investment committee, nominating committee or other committee of the Board to include at least one director designated by the Evercore Stockholders, one director designated by the Management Stockholders and one Independent Director, provided, that, (i) the Management Stockholders shall not have the right to designate a member of the compensation committee and (ii) upon such time as the Evercore Stockholders or the Management Stockholders, as the case may be, own less than 10% of the outstanding shares of Common Stock, such Stockholder Group will no longer have the right to designate one committee member.

(b) No action by any committee of the Board shall be valid unless taken at a meeting for which adequate notice has been duly given or waived by the members of such committee. Such notice shall include a description of the general nature of the business to be transacted at the meeting and no other business may be transacted at such meeting. Any committee member unable to participate in person at any meeting shall be given the opportunity to participate by telephone. Each of the committees established by the Board of Directors pursuant to this Section 2.3 shall establish such other rules and procedures for its operation and governance as it shall see fit and may seek such consultation and advice as to matters within its purview as it shall require.

SECTION 2.4. Certificate of Incorporation and By-Laws. The Company shall take or cause to be taken all lawful action necessary to ensure at all times that the Company's Certificate of Incorporation and By-Laws are not, at any time, inconsistent with the provisions of this Agreement.

ARTICLE III

REGISTRATION RIGHTS

SECTION 3.1. Registration on Request. (a) At any time after the date hereof, upon the written request of the Evercore Stockholders holding at least 7.5% of Evercore's Interest then outstanding or Don B. Murray, on behalf of the Management Stockholders, as the case may be (each, a "Demand Party"), requesting that the Company effect the registration under the Securities Act of at least 10% of the Demand Party's Registrable Securities and specifying the amount and intended method of disposition thereof, the Company will promptly give written notice of such requested registration to all other Holders, and thereupon will, as expeditiously as possible, use its reasonable best efforts to effect the registration under the Securities Act of:

(i) the Registrable Securities which the Company has been so requested to register by the Demand Party; and

(ii) all other Registrable Securities of the same class(es) or series as are to be registered at the request of a Demand Party and which the Company has been requested to register by any other Holder thereof by written request given to the Company within 15 days after the giving of such written notice by the Company (which request shall specify the amount and intended method of disposition of such Registrable Securities), all to the extent necessary to permit the disposition (in accordance with the intended method thereof as aforesaid) of the Registrable Securities so to be registered; provided, that the Evercore Stockholders may not request more than three registrations pursuant to this Section 3.1 and the Management Stockholders may not request more than three registrations pursuant to this Section 3.1; and provided, further, that, the Company shall not be obligated to file a registration statement relating to any registration request under this Section 3.1 within a period of 180 days after the effective date of any other registration statement relating to any registration of the Company's securities.

(b) Registration Statement Form. The Company shall select the registration statement form for any registration pursuant to this Section 3.1; provided, that if any registration requested pursuant to this Section 3.1 which is proposed by the Company to be effected by the filing of a registration statement on Form S-3 (or any successor or similar short-form registration statement) shall be in connection with an underwritten public offering, and if the managing underwriter shall advise the Company in writing that, in its opinion, the use of another form of registration statement is of material importance to the success of such proposed offering, then such registration shall be effected on such other form.

(c) Expenses. The Company will pay the Registration Expenses in connection with registrations of each class or series of Registrable Securities pursuant to this Section 3.1, provided, that, the Company will only pay the Registration Expenses in connection with two requests for registration by the Evercore Stockholders and two requests for registration by the Management Stockholders, and provided further that, the amount of the Registration Expenses to be paid by the Company shall not exceed $500,000, in the aggregate, for the two requests for registration by the Evercore Stockholders and $500,000, in the aggregate, for the two requests for registration by the Management Stockholders. The selling Holders will pay the Registration Expenses in connection with any other registrations of Registrable Securities pursuant to Section 3.1. In addition, the selling Holders will pay all underwriting discounts and selling commissions applicable to the sale of Registrable Securities and the fees and disbursements of any counsel, other than the one counsel to the Holders, engaged by the Holders pursuant to Section 3.7 hereof, in connection with any and all registrations of Registrable Securities pursuant to this Section 3.1.

(d) Effective Registration Statement. Registrations withdrawn or otherwise terminated by the Evercore Stockholders or the Management Stockholders, as the case may be, shall be deemed to have been effected and shall count as one of the six demand registration rights hereunder, provided that, if a requested registration pursuant to this Section 3.1 involves an underwritten offering and the managing underwriter advises the Company or the Demand Party in writing that, in its opinion, market factors may prevent the successful marketing of such offering (including, but not limited to, the price at which such securities can be sold and the number of securities that can be sold), and as a result of such advice, the registration is withdrawn or otherwise terminated, then such registration will not be deemed to have been effected and shall not count as one of the six demand registrations hereunder. For purposes of this Section 3.1(d), the Company shall inform each Demand Party of any written communication with the managing underwriter with respect to a registration and offering that would have such an Adverse Effect. Notwithstanding anything contained herein to the contrary, any registration abandoned or withdrawn pursuant to the last sentence of Section 3.1(f) or Section 3.1(g) shall not count as one of the six demand registrations.

(e) Selection of Underwriters. If a requested registration pursuant to this Section 3.1 involves an underwritten offering, the investment banker(s), underwriter(s) and manager(s) for such registration shall be selected by the Demand Party; provided,

however, that such investment banker(s), underwriter(s) and manager(s) shall be reasonably satisfactory to the Company.

(f) Priority in Requested Registrations. If a requested registration pursuant to this Section 3.1 involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, the number of securities to be included in such registration (including securities of the Company which are not Registrable Securities) would be likely to have an adverse effect on the successful marketing of such offering (including the price at which such securities can be sold) (an "Adverse Effect"), then the Company shall include in such registration (a) first, 100% of the Registrable Securities requested to be included in such registration by the Demand Party and all other requesting Holders of Registrable Securities pursuant to this Section 3.1 (to the extent that the managing underwriter believes that all such Registrable Securities can be sold in such offering without having an Adverse Effect; provided, that if they cannot, the Company will include in such registration the amount of Registrable Securities that the managing underwriter advises will not have such Adverse Effect. In such event, the number of such Registrable Securities to be included in such registration shall be allocated pro rata among all requesting Holders on the basis of the relative number of shares of Registrable Securities then held by each such Holder (provided that any shares thereby allocated to any such Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders in like manner), and (b) second, to the extent the managing underwriter believes additional securities can be sold in the offering without having an Adverse Effect, the amount of Other Securities requested to be included by Other Holders in such registration, allocated pro rata among all requesting Other Holders on the basis of the relative amount of all Other Securities then held by each such Other Holder (provided, that any such amount thereby allocated to any such Other Holder that exceeds such Other Holder's request shall be reallocated among the remaining requesting Other Holders in like manner). In the event that the number of Registrable Securities and Other Securities to be included in such registration is less than the number which, in the opinion of the managing underwriter, can be sold without having an Adverse Effect, the Company may include in such registration the securities the Company proposes to sell up to the number of securities that, in the opinion of such managing underwriter, can be sold without having an Adverse Effect. If the managing underwriter of any underwritten offering shall advise the Holders participating in a registration pursuant to this Section 3.1 that the Registrable Securities covered by the registration statement cannot be sold in such offering within a price range acceptable to the Demand Party, then the Demand Party shall have the right to notify the Company that it has determined that the registration statement be abandoned or withdrawn, in which event the Company shall abandon or withdraw such registration statement.

(g) Postponements in Requested Registrations. Notwithstanding Section 3.1(f), (i) if the Board determines, in its good faith judgment, that the registration and offering otherwise required by this Section 3.1 would have an Adverse Effect on a then contemplated public offering of the Company's Equity Securities, the Company may postpone the filing (but not the preparation) of a registration statement required by this Section 3.1, during the period starting with the 30th day immediately preceding the date of the anticipated filing of, and ending on a date 180 days following the effective date of,

the registration statement relating to such other public offering and (ii) if the Company shall at any time furnish to the Holders a certificate signed by any one of its authorized officers stating that, in the good faith judgment of the Board, after consultation with its outside securities counsel, the filing of a registration statement would materially and adversely affect the Company, the Company may postpone the filing (but not the preparation) of a registration statement required by this Section 3.1 for up to 90 days; provided, that, the Company shall at all times in good faith use its reasonable best efforts to cause any registration statement required by this Section 3.1 to be filed as soon as possible and; provided, further, that, the Company shall not be permitted to postpone registration pursuant to this Section 3.1(g) more than once in any 360-day period. The Company shall promptly give the Holders requesting registration thereof pursuant to this Section 3.1 written notice of any postponement made in accordance with the preceding sentence. If the Company gives the Holders such a notice, the Holders shall have the right, within 15 days after receipt thereof, to withdraw their request in which case, notwithstanding subsection (d) hereof, such request will not be counted as one of the six demand registrations for purposes of this Section 3.1.

SECTION 3.2. Registration Procedures. If and whenever the Company is required to use its reasonable best efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in this Agreement, the Company will promptly:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period not in excess of 180 days and to comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement; provided, that before filing a registration statement or prospectus, or any amendments or supplements thereto in accordance with Sections 3.2(a) or (b), the Company will furnish to counsel selected pursuant to Section 3.7 hereof copies of all documents proposed to be filed, which documents will be subject to the reasonable review of such counsel;

(c) furnish to each seller of such Registrable Securities such number of copies of such registration statement and of each amendment and supplement thereto (in each case including all exhibits filed therewith, including any documents incorporated by reference), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities by such seller;

(d) use its reasonable best efforts to register or qualify such Registrable Securities covered by such registration in such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this subsection (d), it would not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(e) use its reasonable best efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(f) notify each seller of any such Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the Company's becoming aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to such seller a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(g) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable (but not more than 18 months) after the effective date of the registration statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act;

(h) (i) use its reasonable best efforts to list such Registrable Securities on any securities exchange on which the Common Stock is then listed if such Registrable Securities are not already so listed and if such listing is then permitted under the rules of such exchange; and (ii) use its reasonable best efforts to provide a transfer agent and registrar for such Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(i) enter into an underwriting agreement in customary form, which may include indemnification provisions in favor of underwriters and other Persons in addition to, or in substitution for the provisions of Section 3.5 hereof, reasonably requested in order to expedite or facilitate the disposition of such Registrable Securities;

(j) obtain a "cold comfort" letter or letters from the Company's independent public accountants in customary form and covering matters of the type customarily

covered by "cold comfort" letters as the seller or sellers of a majority of shares of such Registrable Securities shall reasonably request;

(k) make available for inspection by any seller of such Registrable Securities covered by such registration statement, by any underwriter participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(l) notify counsel (selected pursuant to Section 3.7 hereof) for the Holders of Registrable Securities included in such registration statement and the managing underwriter or agent, in writing (i) when the registration statement, or any post-effective amendment to the registration statement, shall have become effective, or any supplement to the prospectus or any amendment to the prospectus shall have been filed, (ii) of the receipt of any comments from the SEC, (iii) of any request of the SEC to amend the registration statement or amend or supplement the prospectus or for additional information, and (iv) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the registration statement for offering or sale in any jurisdiction, or of the institution or threatening of any proceedings for any of such purposes;

(m) make every reasonable effort to prevent the issuance of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus and, if any such order is issued, to obtain the withdrawal of any such order as soon as practicable;

(n) if requested by the managing underwriter or agent or any Holder of Registrable Securities covered by the registration statement, promptly incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriter or agent or such Holder reasonably requests to be included therein, including, with respect to the number of Registrable Securities being sold by such Holder to such underwriter or agent, the purchase price being paid therefor by such underwriter or agent and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment;

(o) cooperate with the Holders of Registrable Securities covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter or agent, if any, or such Holders may request;

(p) obtain for delivery to the Holders of Registrable Securities being registered and to the underwriter or agent an opinion or opinions from counsel for the Company in customary form and in form, substance and scope reasonably satisfactory to such Holders, underwriters or agents and their counsel;

(q) cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD; and

(r) use its reasonable best efforts to make available the executive officers of the Company to participate with the Holders of Registrable Securities and any underwriters in any "road shows" or other selling efforts that may be reasonably requested by the Holders in connection with the methods of distribution for the Registrable Securities.

SECTION 3.3. Information Supplied. The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish the Company with such information regarding such seller and pertinent to the disclosure requirements relating to the registration and the distribution of such securities as the Company may from time to time reasonably request. Each selling Holder will be required to represent to the Company that all such information is both complete and accurate in all material respects.

SECTION 3.4. Restrictions on Disposition. Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3.2(f), such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3.2(f), and, if so directed by the Company, such Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the period mentioned in Section 3.2(b) shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 3.2(f) and to and including the date when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 3.2(f).

SECTION 3.5. Indemnification

(a) In the event of any registration of any Registrable Securities under the Securities Act pursuant to Section 3.1, the Company shall indemnify and hold harmless, to the extent permitted by law, each selling Holder, each Affiliate of such Holder and their respective directors, officers, members or general and limited partners (and any director, officer, and controlling Person of any of the foregoing), each Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such seller or any such underwriter within the meaning of the Securities Act (collectively, the "Indemnified Parties"), against any and all losses,

claims, damages or liabilities, joint or several, actions or proceedings (whether commenced or threatened) in respect thereof ("Claims") and expenses
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(including reasonable attorney's fees and reasonable expenses of investigation) to which such Indemnified Party may become subject under the Securities Act, common law or otherwise, insofar as such Claims or expenses arise out of, relate to or are based upon (a) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (b) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading; provided, that the Company shall not be liable to any Indemnified
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Party in any such case to the extent that any such Claim or expense arises out of, relates to or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus in reliance upon and in conformity with written information furnished to the Company by or behalf of such seller specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Indemnified Party and shall survive the transfer of securities by any seller.

(b) As a condition to including any Registrable Securities in any registration statement filed in accordance with Section 3.1 or 3.2 herein, the Company shall have received an undertaking reasonably satisfactory to it from the prospective seller of such Registrable Securities or any underwriter to indemnify and hold harmless in the same manner and to the same extent as set forth in Section 3.5(a) the Company and all other prospective sellers or any underwriter, as the case may be, with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such seller or underwriter specifically stating that it is for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement, or a document incorporated by reference into any of the foregoing. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any of the prospective sellers, or any of their respective Affiliates, directors, officers or controlling Persons and shall survive the transfer of securities by any seller. In no event shall the liability of any selling Holder of Registrable Securities under this Section 3.5(b) be greater in amount than the dollar amount of the proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 3.5, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice

to the latter of the commencement of such action or proceeding; provided, that
the failure of the indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Section 3.5, except to the extent that the indemnifying party is materially prejudiced by such failure to give notice. In case any such action or proceeding is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such action or proceeding (in which case the indemnified party shall have the right to assume or continue its own defense and the indemnifying party shall be liable for any reasonable expenses therefor, but in no event will bear the expenses for more than one firm of counsel for all indemnified parties in each jurisdiction who, with respect to any indemnification rights of Holders hereunder, shall be approved by the majority of the participating Holders in the registration in respect of which such indemnification is sought), the indemnifying party will be entitled to participate in and to assume the defense thereof (at its expense), jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation and shall have no liability for any settlement made by the indemnified party without the consent of the indemnifying party, such consent not to be unreasonably withheld. No indemnifying party will settle any action or proceeding or consent to the entry of any judgment without the prior written consent of the indemnified party, unless such settlement or judgment (i) includes as an unconditional term thereof the giving by the claimant or plaintiff of a release to such indemnified party from all liability in respect of such action or proceeding and (ii) does not involve the imposition of equitable remedies or the imposition of any obligations on such indemnified party and does not otherwise adversely affect such indemnified party, other than as a result of the imposition of financial obligations for which such indemnified party will be indemnified hereunder.

(d) (i) If the indemnification provided for in this Section 3.5 from the indemnifying party is unavailable to an indemnified party hereunder in respect of any Claim or expenses referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Claim or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and indemnified party in connection with the actions which resulted in such Claim or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party under this Section 3.5(d) as a result of the Claim and expenses referred to above shall be deemed to include any legal or other

fees or expenses reasonably incurred by such party in connection with any action or proceeding.

(ii) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 3.5(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in Section 3.5(d)(i). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the parties under this Section 3.5 shall be in addition to any liability which any party may otherwise have to any other party.

SECTION 3.6. Required Reports. The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act (or, if the Company is not required to file such reports, it will, upon the request of any Holder, make publicly available such information), and it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell shares of Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

SECTION 3.7. Selection of Counsel. In connection with any registration of Registrable Securities pursuant to Section 3.1 hereof, the Demand Party in the case of a registration pursuant to Section 3.1 may select one counsel to represent all Holders of Registrable Securities covered by such registration; provided, however, that in the event that the counsel selected as provided above is also acting as counsel to the Company in connection with such registration, the remaining Holders shall be entitled to select one additional counsel to represent all such remaining Holders.

SECTION 3.8. Holdback Agreement. Each Holder hereby agrees that it shall not, to the extent requested by the Company and an underwriter of Equity Securities of the Company, sell or otherwise transfer or dispose of any Registrable Securities in a market transaction during the 7 day period prior and the 180 day period following the effective date of a registration statement of the Company filed under the Securities Act.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.1. Representations of the Company. As of the date hereof and as of the Effective Date the Company represents and warrants as follows:

(a) Authority Relative to This Agreement. The Company has all necessary power and authority to execute and deliver this Agreement and to perform its obligations

hereunder. The execution and delivery of this Agreement by the Company has been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement. This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by the stockholders signatory hereto, constitutes legal, valid and binding obligations of the Company.

(b) No Conflict. The execution and delivery by the Company of this Agreement does not, and the performance of this Agreement by the Company will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws of the Company or any of its Subsidiaries, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of the Company or any of its Subsidiaries pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any property or asset of the Company or any of its Subsidiaries is bound or affected, except for any such breaches, defaults or other occurrences which would not, individually or in the aggregate, have a material adverse effect on the results of operations, financial condition or business of the Company and its Subsidiaries, taken as a whole.

(c) Required Filings and Consents. The execution and delivery by the Company of this Agreement does not, and the performance of this Agreement by the Company will not, require any consent, approval, authorization or permit of, or filing by the Company with or notification to, any governmental or regulatory authority, domestic or foreign, except (i) for applicable requirements, if any, of the Securities Act, the Exchange Act, state blue sky and takeover laws, and (ii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or delay the Company from performing its obligations under this Agreement and would not, individually or in the aggregate, have a material adverse effect on the results of operations, financial condition or business of the Company and its Subsidiaries, taken as a whole.

ARTICLE V

MISCELLANEOUS

SECTION 5.1. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given by hand delivery, by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following addresses:

if to the Evercore Stockholders, to:

Evercore Capital Partners L.P.
65 East 55th Street, 22nd Floor
New York, NY 10022
Fax: 212-857-3101
Attention: David G. Offensend

with a copy to:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
Fax: 212-455-2502
Attention: Mario A. Ponce

if to the Company, to:

Resources Connection, Inc.
c/o Resources Connection LLC
Three Imperial Promenade
Santa Ana, CA 92707-5092
Fax: 714-433-6100
Attention: Chief Executive Officer

with a copy to:

O'Melveny & Myers LLP
610 Newport Center Drive, 17th Floor
Newport Beach, CA 92660-6429
Fax: 949-823-6994
Attention: David A. Krinsky

if to the Management Stockholders, to:

Resources Connection, Inc.
c/o Resources Connection LLC
Three Imperial Promenade
Santa Ana, CA 92707-5092
Fax: 714-433-6100
Attention: Donald B. Murray

with a copy to:

O'Melveny & Myers LLP
610 Newport Center Drive, 17th Floor
Newport Beach, CA 92660-6429

Fax: 949-823-6994
Attention: David A. Krinsky

SECTION 5.2. Amendments; No Waivers. (a) The Agreement may not be amended except in writing, and signed by (a) the Company, (b) the Evercore Stockholders and (c) the Management Stockholders.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 5.3. Severability. If any term or other provision of this Agreement is invalid,illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the fullest extent possible.

SECTION 5.4. Entire Agreement; Assignment. This Agreement and the Initial Stockholders Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof. Notwithstanding the foregoing, Section 3.11 of the Initial Stockholders Agreement shall survive the execution of this Agreement for a period of five years after the date hereof.

Except as otherwise provided herein, this Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other parties. Notwithstanding the foregoing, without the consent of any party hereto: (i) the Evercore Stockholders, (x) may assign their rights under this Agreement to any Affiliate and (y) may assign their rights under Article III of this Agreement and Section 3.11 of the Initial Stockholders Agreement to any third party if the Evercore Stockholders sell at least 10% of Evercore's Interest as of the date hereof to such third party and (ii) the Management Stockholders may assign their rights under Article III of this Agreement and Section 3.11 of the Initial Stockholders Agreement to any third party if the Management Stockholders sell at least 10% of Management's Interest as of the date hereof to such third party.

SECTION 5.5. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 5.6. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

SECTION 5.7. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed in the State of Delaware. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in any Delaware state or federal court thereof.

SECTION 5.8. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 5.9. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

SECTION 5.10. Effectiveness; Termination. This Agreement shall be effective as of the Effective Date. The provisions of Article II of this Agreement shall terminate with respect to any Stockholder Group at such time as such Stockholder Group beneficially owns less than 7.5% of the outstanding shares of Common Stock. The provisions of Article III of this Agreement and Section 3.11 of the Initial Stockholders Agreement shall terminate with respect to any Holder at such time as such Holder no longer beneficially owns any Registrable Securities and in no event later than five years after the date hereof, provided, that, no party will be subject to this Agreement at such time when such party no longer owns any shares of the Company.

SECTION 5.11. Waiver of Jury Trial. Each party hereto hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of such party in the negotiation, administration, performance and enforcement thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE COMPANY:

RESOURCES CONNECTION, INC.

By: _____
Name:
Title:

EVERCORE STOCKHOLDERS:

EVERCORE CAPITAL PARTNERS L.P.
By: Evercore Partners L.L.C., its General Partner

By: _____
Name:
Title:

EVERCORE CAPITAL PARTNERS (NQ) L.P.
By: Evercore Partners L.L.C., its General Partner

By: _____
Name:
Title:

EVERCORE CAPITAL OFFSHORE PARTNERS L.P.
By: Evercore Partners L.L.C., its General Partner

By: _____
Name:
Title:

EVERCORE CO-INVESTMENT PARTNERSHIP L.P.
By: Evercore Partners L.L.C., its General Partner

By: _____
Name:
Title:

MANAGEMENT STOCKHOLDERS:

____
Donald B. Murray

____
Stephen J. Giusto

____
Karen Ferguson

____
Brent M. Longnecker

EXHIBIT A

6 Person Board of Directors

Evercore Stockholder's Interest

	(less than)7.5%	7.5%/+/ but less than 16.5%	16.5%/+/ but less than 25.0%	(greater than)25.0%
# of directors designated by Evercore Stockholders	0	1	1	2
# of directors designated by Management Stockholders	2	2	2	2
# of Independent Directors	2	2	2	2

6 Person Board of Directors

Management Stockholder's Interest

	(less than)7.5%	7.5%/+/ but less than 16.5%	16.5%/+/ but less than 25.0%	(greater than)25.0%
# of directors designated by Evercore Stockholders	2	2	2	2
# of directors designated by Management Stockholders	0	1	1	2
# of Independent Directors	2	2	2	2

10 Person Board of Directors

Evercore Stockholder's Interest

	(less than)7.5%	7.5%/+/ but less than 12.5%	12.5%/+/ but less than 27.5%	(greater than)27.5%
# of directors designated by Evercore Stockholders	0	1	2	3
# of directors designated by Management Stockholders	3	3	3	3
# of Independent Directors	3	3	3	3
# of Acquisition	1	1	1	1

Directors

10 Person Board of Directors

Management Stockholder's Interest

	(less than)7.5%	7.5%/+/ but less than 12.5%	12.5%/+/ but less than 27.5%	(greater than)27.5%
# of directors designated by Evercore Stockholders	3	3	3	3
# of directors designated by Management Stockholders	0	1	2	3
# of Independent Directors	3	3	3	3
# of Acquisition Directors	1	1	1	1

11 Person Board of Directors

Evercore Stockholder's Interest

	(less than)7.5%	7.5%/+/ but less than 10.5%	10.5%/+/ but less than 25.9%	(greater than)25.9%
# of directors designated by Evercore Stockholders	0	1	2	3
# of directors designated by Management Stockholders	3	3	3	3
# of Independent Directors	3	3	3	3
# of Acquisition Directors	2	2	2	2

11 Person Board of Directors

Management Stockholder's Interest

	(less than)7.5%	7.5%/+/ but less than 10.5%	10.5%/+/ but less than 25.9%	(greater than)25.9%
# of directors designated by Evercore Stockholders	3	3	3	3
# of directors designated by Management Stockholders	0	1	2	3
# of Independent	3	3	3	3

Directors				
# of Acquisition Directors	2	2	2	2

12 Person Board of Directors

	Evercore Stockholder's Interest				
	(less than)7.5%	7.5%/+/ but less than 12.5%	12.5%/+/ but less than 20.8%	20.8%/+/ but less than 29.2%	(greater than)29.2%
# of directors designated by Evercore Stockholders	0	1	2	3	4
# of directors designated by Management Stockholders	4	4	4	4	4
# of Independent Directors	4	4	4	4	4

12 Person Board of Directors

	Management Stockholder's Interest				
	(less than)7.5%	7.5%/+/ but less than 12.5%	12.5%/+/ but less than 20.8%	20.8%/+/ but less than 29.2%	(greater than)29.2%
# of directors designated by Evercore Stockholders	4	4	4	4	4
# of directors designated by Management Stockholders	0	1	2	3	4
# of Independent Directors	4	4	4	4	4

EXHIBIT 4.3

NUMBER COMMON STOCK

COMMON STOCK PAR VALUE $.01
PAR VALUE $0.01

RESOURCES CONNECTION, INC.

INCORPORATED UNDER
THE LAWS OF THE STATE OF DELAWARE

[RESOURCES CONNECTION LOGO]

CUSIP 76122Q 10 5

THIS CERTIFIES THAT

is the recordholder of

FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK OF

RESOURCES CONNECTION, INC.

transferable on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

- ---------- ----------
CHIEF EXECUTIVE OFFICER SECRETARY

[RESOURCES CONNECTION, INC.
CORPORATE SEAL]

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY
TRANSFER AGENT AND REGISTRAR

BY

AUTHORIZED SIGNATURE

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - ..... Custodian.....
(Cust) (Minor)

under Uniform Gifts to Minors
Act.....
(State)

UNIF TRF MIN ACT - ..... Custodian (until age .....)
(Cust)

..... under Uniform Transfers
(Minor)

to Minors Act .....
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

_____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ SHARES
OF THE COMMON STOCK REPRESENTED BY THE WITHIN CERTIFICATE, AND DO HEREBY IRREVOCABLY CONSTITUTE AND APPOINT

_____ ATTORNEY
TO TRANSFER THE SAID STOCK ON THE BOOKS OF THE WITHIN NAMED CORPORATION WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.

Dated _____

X _____

X _____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed

By _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

EXHIBIT 5.1

[LETTERHEAD OF O'MELVENY & MYERS LLP]

December 11, 2000

Resources Connection, Inc.
695 Town Center Drive, Suite 600
Costa Mesa, California 92626

RE: Registration Statement on Form S-1

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-1 filed by you with the Securities and Exchange Commission ("SEC") on September 1, 2000 (Registration No. 333-45000, as amended) (the "Registration Statement"), in connection with the Securities Act of 1933, as amended, of up to 6,500,000 shares of your Common Stock, par value $0.01 and an over-allotment option granted to the underwriters of the offering to purchase up to 975,000 shares from you (collectively, the "Shares"). We understand that the Shares are to be sold to the underwriters of the offering for resale to the public as described in the Registration Statement.

We have examined all instruments, documents and records that we deemed relevant and necessary for the basis of our opinion hereinafter expressed. In such examination, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies.

Based on such examination, we are of the opinion that the Shares, when issued and sold in the manner described in the Registration Statement and in accordance with the resolutions adopted by the Board of Directors of the Company, will be legally and validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to the use of our name wherever appearing in the Registration Statement, including the Prospectus constituting a part thereof and any amendments thereto.

Very truly yours,

/s/ O'MELVENY & MYERS LLP

O'MELVENY & MYERS LLP

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Amendment No. 7 to the Registration Statement on Form S-1 of our reports dated July 17, 2000 relating to the consolidated financial statements and financial statement schedule of Resources Connection, Inc. and its subsidiaries and our reports dated August 6, 1999 relating to the financial statements and financial statement schedule of Resources Connection LLC which appear in such Registration Statement. We also consent to the reference to us under the heading "Experts" and "Selected Historical Consolidated Financial Data" in such Registration Statement.

PricewaterhouseCoopers LLP

Orange County, California

December 12, 2000