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

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 20, 2009

RESOURCES CONNECTION, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**0-32113**	**33-0832424**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

17101 Armstrong Avenue, Irvine, California	**92614**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(714) 430-6400**

(Former Name or Former Address, if Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 240.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01 Completion of Acquisition or Disposition of Assets.

On November 24, 2009, Resources Connection, Inc. (the “Company”) filed an initial report on Form 8-K with the Securities and Exchange Commission reporting the acquisition of certain assets of Sitrick And Company, a California corporation (“Sitrick Co”), and Brincko Associates, Inc., a California corporation (“Brincko”) through the purchase of all of the outstanding membership interests in Sitrick Brincko Group, LLC, a Delaware limited liability company (“Sitrick Brincko Group”), pursuant to a Membership Interest Purchase Agreement by and among the Company, Sitrick Co, Michael S. Sitrick, an individual, Brincko and John P. Brincko, an individual. In addition, on the same date, the Company completed its acquisition of the personal goodwill of Mr. Sitrick pursuant to a Goodwill Purchase Agreement by and between the Company and Mr. Sitrick.

This Amendment No. 1 to such Form 8-K amends and restates Item 9.01, Financial Statements and Exhibits, in its entirety to include the historical financial statements of Sitrick Co, Brincko and the pro forma financial information as required by Item 9.01.

Item 9.01 Financial Statements and Exhibits.

a) Financial Statements of Businesses Acquired.

Attached hereto as Exhibit 99.2 and incorporated herein by reference, are the audited financial statements of Sitrick Co as of and for the year ended December 31, 2008 and the unaudited financial statements of Sitrick Co as of and for the six months ended June 30, 2009.

Also attached hereto as Exhibit 99.3 and incorporated herein by reference, are the audited financial statements of Brincko for the year ended December 31, 2008 and the unaudited financial statements of Brincko for the six months ended June 30, 2009 and June 30, 2008.

b) Unaudited Pro Forma Financial Information.

Attached hereto as Exhibit 99.4 and incorporated herein by reference, are the required unaudited pro forma condensed combined financial statements.

d) Exhibits.

Exhibit Number	Description
2.1	Membership Interest Purchase Agreement, dated as of October 29, 2009, by and among Resources Connection, Inc., Sitrick And Company, Michael S. Sitrick, Brincko Associates, Inc., and John P. Brincko (incorporated by reference to Exhibit 2.1 of Resources Connection, Inc.’s Current Report on Form 8-K, filed on October 29, 2009).
2.2	Goodwill Purchase Agreement, dated as of October 29, 2009, by and between Resources Connection, Inc. and Michael S. Sitrick (incorporated by reference to Exhibit 2.2 of Resources Connection, Inc.’s Current Report on Form 8-K, filed on October 29, 2009).
23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of Independent Registered Public Accounting Firm
99.1	Press release of the Company dated November 23, 2009*
99.2	SITRICK AND COMPANY INC. FINANCIAL STATEMENTS Report of Independent Auditors Balance Sheets as of December 31, 2008 (audited) and June 30, 2009 (unaudited) Statements of Income for the year ended December 31, 2008 (audited) and the six-month period ended June 30, 2009 (unaudited)

Exhibit Number	Description
	Statements of Stockholder’s Equity for the year ended December 31, 2008 (audited) and the six-month period ended June 30, 2009 (unaudited) Statements of Cash Flows for the year ended December 31, 2008 (audited) and the six-month period ended June 30, 2009 (unaudited) Notes to Financial Statements
99.3	BRINCKO ASSOCIATES, INC. FINANCIAL STATEMENTS Independent Auditor’s Report Balance Sheets at December 31, 2008 (audited), June 30, 2009 and June 30, 2008 (unaudited) Statements of Income for the year ended December 31, 2008 (audited) and the six months ended June 30, 2009 and June 30, 2008 (unaudited) Statements of Stockholder’s Equity for the year ended December 31, 2008 (audited) and the six-months ended June 30, 2009 (unaudited) Statements of Cash Flows for the year ended December 31, 2008 (audited) and the six months ended June 30, 2009 and June 30, 2008 (unaudited) Notes to Financial Statements
99.4	Unaudited Pro Forma Financial Information. Unaudited pro forma condensed combined financial statements Unaudited pro forma condensed combined statements of operations for the year ended May 30, 2009 Unaudited pro forma condensed combined statements of operations for the three months ended August 29, 2009 Unaudited pro forma condensed combined balance sheets as of August 29, 2009 Notes to unaudited pro forma condensed combined financial statements

* Previously filed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RESOURCES CONNECTION, INC.
(Registrant)

Date: January 4, 2010

By: /s/ Nathan W. Franke
Nathan W. Franke
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
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* Previously filed.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-158499, No. 333-142145, No. 333-127579, No. 333-54880 and No. 333-52730) of Resources Connection, Inc. of our report dated October 22, 2009 relating to the financial statements of Sitrick and Company Inc., which appears in the Current Report on Form 8-K/A of Resources Connection, Inc. dated January 4, 2010.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Los Angeles, California
January 4, 2010

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-158499, No. 333-142145, No. 333-127579, No. 333-54880 and No. 333-52730) of Resources Connection, Inc. of our report dated November 5, 2009 relating to the financial statements of Brincko Associates, Inc., which appears in the Current Report on Form 8-K/A of Resources Connection, Inc. dated January 4, 2010.

/s/ Singer Lewak LLP
Singer Lewak LLP
Irvine, California
December 30, 2009

Exhibit 99.2

Sitrick and Company Inc.

Financial Statements

December 31, 2008 and June 30, 2009 (Unaudited)

Report of Independent Auditors

To the Board of Directors and Stockholder of
Sitrick and Company Inc.

In our opinion, the accompanying balance sheet and the related statements of income, stockholder’s equity and cash flows present fairly, in all material respects, the financial position of Sitrick and Company Inc. (the “Company”) at December 31, 2008 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards 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 audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California

October 22, 2009

Sitrick and Company Inc.

Balance Sheets

December 31, 2008 and June 30, 2009 (Unaudited)

	December 31, 2008	June 30, 2009 (Unaudited)
Assets		
Current assets		
Cash and cash equivalents	$ 2,698,464	$ 4,581,472
Trade receivables, net (Notes 4 and 11)	4,724,023	4,703,898
Other current assets	223,917	114,852
Due from CEO	11,452	61,069
Total current assets	7,657,856	9,461,291
Property and equipment, net (Notes 5 and 7)	13,962,081	13,203,625
Deposits and other	172,084	253,099
	$21,792,021	$22,918,015
Liabilities and Stockholder's Equity		
Current liabilities		
Current portion of unsecured notes payable to CEO (Note 7)	$ 762,000	$ 782,000
Current portion of notes and contracts payable (Note 7)	1,359,000	715,000
Accounts payable	451,089	364,268
Unearned client retainers	1,049,888	875,946
Accrued liabilities (Note 6)	722,156	1,033,433
Accrued liabilities due CEO (Note 6)	1,437,429	2,717,000
Income taxes payable (Note 8)	1,045,722	848,722
Current deferred income taxes (Note 8)	989,000	73,000
Total current liabilities	7,816,284	7,409,369
Deferred credits (Note 10)	180,032	196,000
Long-term deferred income taxes (Note 8)	103,000	683,000
Long-term debt, net of current portion		
Unsecured notes payable to CEO (Note 7)	14,713,651	14,296,176
Notes and contracts payable (Note 7)	222,462	187,425
Total long-term debt	14,936,113	14,483,601
Total liabilities	23,035,429	22,771,970
Commitments and contingencies (Note 10)		
Stockholder's equity (Notes 2 and 9)		
Class A common stock; no par value; 8,000,000 shares authorized; 5,297,600 shares issued and outstanding	757	757
Class B common stock; no par value; 2,000,000 shares authorized; 1,702,400 shares issued and held in treasury	243	243
Retained earnings	979,635	2,369,088
Unearned ESOP shares	—	—
Treasury shares, at cost; 1,702,400 shares of Class B common stock held in treasury	(2,224,043)	(2,224,043)
Total stockholder's equity	(1,243,408)	146,045
Total liabilities and stockholder's equity	$21,792,021	$22,918,015

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

Sitrick and Company Inc.

Statements of Income

Year Ended December 31, 2008 and Six-Month Period Ended June 30, 2009 (Unaudited)

	December 31, 2008	June 30, 2009 (Unaudited)
Revenues		
Professional fees (Note 11)	$20,923,175	$11,837,745
Reimbursable costs	1,621,558	641,645
Total revenues	22,544,733	12,479,390
Costs and expenses		
Compensation and related costs	7,351,369	4,271,235
Reimbursable costs	1,485,706	546,659
General, administrative and other operating expenses	3,762,775	2,082,909
Provision for doubtful accounts	630,000	552,609
Royalty for intangibles due CEO (Note 6)	3,400,000	2,683,000
Aircraft operating costs and expenses (Note 5)	1,764,903	842,015
ESOP compensation and administration costs (Note 9)	69,331	32,218
Total costs and expenses	18,464,084	11,010,645
Income from operations	4,080,649	1,468,745
Other expense		
Interest expense, net	(1,039,442)	(402,292)
Losses on marketable securities	(37,591)	—
Total other expense	(1,077,033)	(402,292)
Income before income taxes	3,003,616	1,066,453
Provision (credit) for income taxes (Note 8)	1,249,000	(323,000)
Net income	$ 1,754,616	$ 1,389,453

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

Sitrick and Company Inc.

Statements of Stockholder's Equity

Year Ended December 31, 2008 and Six-Month Period Ended June 30, 2009 (Unaudited)

	December 31, 2008	June 30, 2009 (Unaudited)
Activity in Dollars		
Class A common, no par — No changes during the year or period	$ 757	$ 757
Class B common, no par — No changes during the year or period	$ 243	$ 243
Retained earnings		
Balance, beginning of year	$ (624,846)	$ 979,635
Net income	1,754,616	1,389,453
Original cost of ESOP shares earned in excess of related ESOP share-based compensation	(150,135)	—
Balance, end of year or period	$ 979,635	$ 2,369,088
Unearned ESOP shares		
Balance, beginning of year	$ (302,985)	$ —
ESOP share-based compensation for shares earned	31,655	—
Original cost of ESOP shares earned in excess of related ESOP share-based compensation	150,135	—
Redemption of unearned ESOP shares	121,195	—
Balance, end of year or period	$ —	$ —
Treasury shares, at cost		
Balance, beginning of year	$ (222,020)	$ (2,224,043)
Redemption of earned ESOP shares for cash	(1,880,828)	—
Redemption of unearned ESOP shares	(121,195)	—
Balance, end of year or period	$ (2,224,043)	$ (2,224,043)
Total stockholder's equity		
Balance, beginning of year	$ (1,148,851)	$ (1,243,408)
Net income	1,754,616	1,389,453
ESOP share-based compensation for shares earned	31,655	—
Redemption of earned ESOP shares for cash	(1,880,828)	—
Balance, end of year or period	$ (1,243,408)	$ 146,045
Activity in Shares		
Class A common, no par — No changes during the year or period	5,297,600	5,297,600
Class B common, no par — No changes during the year or period	1,702,400	1,702,400
Unearned ESOP shares		
Balance, beginning of year	33,934	—
ESOP share-based compensation for shares earned	(20,360)	—
Redemption of unearned ESOP shares	(13,574)	—
Balance, end of year or period	—	—
Treasury shares, at cost		
Balance, beginning of year	47,037	1,702,400
Redemption of earned ESOP shares for cash	1,641,789	—
Redemption of unearned ESOP shares	13,574	—
Balance, end of year or period	1,702,400	1,702,400

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

Sitrick and Company Inc.

Statements of Cash Flows

Year Ended December 31, 2008 and Six-Month Period Ended June 30, 2009 (Unaudited)

	December 31, 2008	June 30, 2009 (Unaudited)
Cash flows from operating activities		
Net income	$ 1,754,616	$ 1,389,453
Adjustments to reconcile net income to net cash provided by operating activities		
ESOP share-based compensation for shares earned (Note 9)	31,655	—
Depreciation and amortization	983,914	786,735
Provision for deferred income taxes (Note 8)	684,000	(336,000)
Provision for doubtful accounts	630,000	552,609
Loss on disposal of fixed assets	87,704	—
Loss on investment securities	37,591	—
Changes in operating assets and liabilities		
Trade receivables	(1,999,309)	(532,484)
Other current assets	3,027	109,065
Due from CEO	(198,264)	(49,617)
Deposits and other	71,896	(82,115)
Accounts payable	(290,047)	(86,820)
Unearned client retainers	433,807	(173,942)
Accrued liabilities	295,558	311,276
Accrued liabilities due CEO	1,437,429	1,279,571
Due to CEO	—	—
Income taxes	449,929	(197,000)
Deferred credits	5,860	15,968
Net cash provided by operating activities	4,419,366	2,986,699
Cash flows from investing activities		
Purchases of property and equipment, net of advance payments	(2,589,032)	(27,179)
Proceeds from sale of property and equipment	1,283,515	—
Net cash used in investing activities	(1,305,517)	(27,179)
Cash flows from financing activities		
Payments on long-term debt	(2,885,330)	(1,076,512)
Borrow ings to purchase new aircraft (Note 7)	14,000,000	—
Payoff of new aircraft construction loan (Note 7)	(11,730,000)	—
Borrow ings to purchase automobiles	153,730	—
Borrow ings from CEO to redeem ESOP shares (Notes 7 and 9)	1,600,000	—
Redemption of earned ESOP shares for cash (Note 9)	(1,880,828)	—
Net cash used in financing activities	(742,428)	(1,076,512)
Net increase in cash and cash equivalents	2,371,421	1,883,008
Cash and cash equivalents, beginning of year	327,043	2,698,464
Cash and cash equivalents, end of year	$ 2,698,464	$ 4,581,472
Supplemental disclosure of cash flow information		
Interest paid	$ 867,881	$ 448,431
Income taxes paid (Note 8)	115,072	210,000
Assumption of long-term debt by officer (Note 7)	13,875,651	—
Reduction in unearned ESOP shares for original cost of shares earned in excess of related ESOP share-based compensation (Note 9)	150,135	—
Redemption of unearned ESOP shares (Note 9)	121,195	—

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

1. Description of the Company and its Business

Sitrick and Company Inc. (the "Company") is a public relations firm. It specializes in providing strategic communications services to clients in high-profile, time-sensitive corporate, financial, transactional and crisis situations, including restructuring and bankruptcy cases. The Company was incorporated in California on January 24, 1989.

2. Stock Ownership

Effective December 23, 2008, the Company became wholly-owned by a family trust (the "Sitrick Trust") of its founder, Chairman and CEO (the "CEO") following the Company's redemption of Class B common shares held by the Sitrick and Company Inc. Employee Stock Ownership Plan (the "ESOP") (Note 9). A Class B common share has attributes that are identical to those of a Class A common share, except for its preferential and cumulative rights to dividends, if declared, and its restriction of ownership to employees and the ESOP. Class B common shares automatically convert to Class A common shares upon the Term Note debt related to the ESOP (Note 7) being paid in full. All Class B common shares once outstanding are now held in treasury at cost.

3. Summary Of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The Company prepares its financial statements in conformity with accounting principles generally accepted in the United States. Accordingly, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the 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 reasonable, actual results could differ from the estimates and assumptions used.

Unaudited Interim Financial Information

The accompanying interim balance sheet as of June 30, 2009 and the statements of income, cash flows and stockholder's equity for the six months then ended are unaudited. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly the Company's financial position as of June 30, 2009 and its results of operations and its cash flows for the six months then ended. The results of operations for the six months ended June 30, 2009 are not necessarily indicative of the results to be expected for the year ending December 31, 2009 or for any other interim period or for any other future year.

Revenue Recognition

The Company recognizes fee revenues, net of estimated fee adjustments, when its professionals deliver services and generally bills its clients monthly. In the event the Company's arrangement with its client provides for contingent payments upon the occurrence of a specified event, outcome or otherwise, the Company recognizes revenue at the time the contingency is resolved and the fees become due from the client, although the costs and expenses related thereto are recognized when incurred. The Company recorded such fees of

$164,843 for the year ended December 31, 2008 (which exceeded cumulative costs by $37,000) and none for the six-month period ended June 30, 2009 (unaudited).

Client Reimbursements of "Out of Pocket" Expenses

The Company recognizes all reimbursable costs from clients for 'out-of-pocket' expenses at the time the cost to be reimbursed is accrued as an expense.

Compensation and Related Costs

The Company accrues estimated performance bonuses and incentive compensation based on a review of each employee's performance at the end of each quarter in accordance with performance bonus arrangements and employment contracts (Note 10). Through the date of the ESOP share redemption, the Company calculated compensation expense for ESOP shares allocated to employees each year at an average fair value per share as determined using a market approach valuation method (Note 9).

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts for estimated losses relating to the anticipated inability of certain clients to make required payments for services rendered and for estimated fee adjustments not yet claimed by clients. Management estimates this allowance based on clients' payment histories and patterns; their financial condition; the general economic environment; and other pertinent information. If the collection outlook of a client deteriorates or unfavorable collection trends occur in general, additional allowances may be required.

Cash and Cash Equivalents

The Company considers cash and cash equivalents as cash held in interest-bearing or demand deposit bank accounts and highly-liquid investments with an original maturity date of three months or less. The carrying amounts reflected in the balance sheet for cash and cash equivalents approximate their fair values due to the short maturities of these instruments.

Property and Equipment

The Company has stated property and equipment at cost, less accumulated depreciation and amortization. It computes depreciation and amortization expense using the straight-line method over the estimated useful lives of the related assets (Note 5). The Company expenses the normal costs of repairs and maintenance to operations as incurred and capitalizes costs of major refurbishments. The Company assesses impairment of long-lived assets, which are comprised primarily of an aircraft, in accordance with the provisions of SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. An impairment review is performed whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered by the Company include, but are not limited to, significant changes in the manner of use of the asset or the strategy for the overall business; and, significant negative industry or economic trends. Management believes that no events or changes in circumstances have occurred which would indicate that the aircraft has been permanently impaired.

Unearned Client Retainers

The Company receives non-refundable cash retainers as minimum annual fees on substantially all of its client engagements. The Company records these unearned client retainers as a current liability upon receipt and applies them against ensuing billings for services provided. The Company recognizes an unapplied fee retainer as earned professional fees after expiration of the applicable period for which it served as a minimum fee.

Deferred Credits

The Company recognizes rent expense on a straight-line basis over the lease term. Deferred credits reflect scheduled rent adjustments, abatements and other allowances on a facility lease which are to be amortized over future periods for purposes of such straight-line recognition of rent expense.

Income Taxes

The Company reports taxable income on the cash basis for income tax return purposes and on the accrual basis for these financial statements. As a result, the Company recognizes deferred income taxes for the estimated future tax consequences of differences between the tax basis and the financial reporting basis of assets and liabilities based on enacted tax laws and statutory rates applicable to the periods in which the differences are expected to affect taxable income. The Company will also recognize a valuation allowance to reduce deferred tax assets if, in management's opinion, it is more likely than not that some portion of these assets will not be realized. The provision for income taxes consists of current income taxes payable as well as the net change during the year in deferred income taxes.

In March 2009, the Company filed an election to convert its tax status from a "C Corporation" to an "S Corporation", effective January 1, 2009. As a result, the Company's taxable income or loss for 2009 and future years will be distributed to and included with the taxable income of the Sitrick Trust and it will no longer pay income taxes except in the event of triggering "built-in" gains for tax purposes and for certain state and city taxing authorities.

Recent Accounting Pronouncements

The Company has not adopted the provisions of FASB Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109*, because FIN 48 is only required for non-public entities for interim and annual periods ending after September 15, 2009. FIN 48 prescribes a recognition threshold and measurement attribute of a tax position taken or expected to be taken in an income tax return for financial statements. The interpretation also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of FIN 48 is not expected to have a material impact on the Company's financial statements.

The Company did not adopt the provisions of SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities-Including an Amendment of FAS 115* ("SFAS 159"), since SFAS 159 is elective. SFAS 159 permits an electing company to measure certain financial assets and financial liabilities at fair value and to elect such fair value option on an instrument-by-instrument basis. At each reporting date, the electing company would disclose assets and liabilities that are measured at fair value on the face of its balance sheet and report unrealized gains and losses in earnings. SFAS 159 establishes presentation and disclosure requirements to clarify the effect of a company's election on its earnings but does not eliminate disclosure requirements of other accounting standards.

Effective January 1, 2008, the Company adopted the provisions of SFAS No. 157, *Fair Value Measurements* ("SFAS 157"). SFAS 157 provides guidance for using fair value to measure assets and liabilities and information about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. The adoption of SFAS 157 had no material impact on the Company's financial statements.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events*. SFAS 165 was issued in order to establish principles and requirements for reviewing and reporting subsequent events and requires disclosure of the date through which subsequent events are evaluated and whether the date corresponds with the time at which the financial statements were available for issue (as defined) or were issued. SFAS 165 is effective for interim reporting periods ending after June 15, 2009. The adoption of SFAS 165 did not have a material impact on the financial statements (see Note 12 for the required disclosure in accordance with SFAS 165).

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162* ("SFAS 168"). This statement replaces FASB Statement No. 162, *The Hierarchy of Generally Accepted Accounting Principles*, and establishes the FASB Accounting Standards Codification as the source of authoritative accounting principles generally accepted in the United States of America ("GAAP") recognized by the FASB to be applied by nongovernmental entities. SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of SFAS 168 is not expected to have a material impact on the financial results of the Company.

4. Trade Receivables, Net

Trade receivables, net consist of the following (unbilled receivables relate primarily to professional services delivered in December 2008 and June 2009 that were billed in January and July 2009, respectively):

	December 31, 2008	June 30, 2009 (unaudited)
Billed receivables	$ 5,409,961	$ 5,433,489
Unbilled receivables	1,275,155	1,494,269
	6,685,116	6,927,758
Less: Allowance for doubtful accounts	(1,961,093)	(2,223,860)
Total trade receivables, net	$ 4,724,023	$ 4,703,898

5. Property and Equipment, Net

Property and equipment, net consists of the following:

	Life (in years)	December 31, 2008	June 30, 2009 (unaudited)
Office equipment	3 to 5	$ 438,859	$ 435,715
Office furniture	7	398,895	400,772
Leasehold improvements	Lease term	107,512	107,512
Artwork		70,257	71,493
Automobiles	5	379,727	379,727
Aircraft	10	14,203,588	14,203,588
Total property and equipment		15,598,838	15,598,807
Less: Accumulated depreciation		(1,636,757)	(2,395,182)
Total property and equipment, net		$13,962,081	$13,203,625

Depreciation and amortization expense on these assets was $982,814 and $785,635 for the year ended December 31, 2008 and the six-month period ended June 30, 2009 (unaudited), respectively, of which $838,469 and $710,179, respectively, relates to aircraft.

In October 2007, the Company entered into an agreement with Gulfstream Aerospace LP ("Gulfstream") to purchase a new aircraft to be manufactured at a total cost of $14,130,500, excluding costs and expenses associated with consummating its acquisition. In June 2008, the Company sold its used aircraft for net proceeds of $1,263,515 and took delivery of the new aircraft. The Company granted the bank a security interest in connection with the financing of this new aircraft (Note 7).

The Company entered into aircraft management agreements on its aircraft with third parties to manage all aspects of operating the aircraft. The third party may also, subject to Company approval, charter the aircraft to others in exchange for a charter fee. The third party charges the Company a management fee plus all costs it incurred to manage and operate the aircraft, offset by charter fees it received. Aircraft costs and expenses in the accompanying Statements of Income for the year ended and six-month period ended, respectively, consist of the following:

	December 31, 2008	June 30, 2009 (unaudited)
Operating costs and expenses	$ 818,730	$ 322,773
Depreciation	838,469	710,179
Loss on exchange of aircraft	107,704	—
	1,764,903	1,032,952
Less: Charter fees	—	(190,937)
Total aircraft costs and expenses	$ 1,764,903	$ 842,015

In August 2009, the Company purchased all of the stock of Golden West Airlines, Inc. (“GWA”) for cash of $105,000. GWA had no assets (other than its air carrier certificate and tradename), no liabilities and no operations. The Company intends to enter an exclusive lease and operating agreement of its aircraft with GWA, which will operate as a charter company.

6. Accrued Liabilities

Accrued liabilities and accrued liabilities due CEO consist of the following:

	December 31, 2008	June 30, 2009 (unaudited)
Accrued liabilities		
Compensation and related costs	$ 524,651	$ 981,377
401(k) employee salary deferrals	169,097	12,035
Deferred credits, current (Note 10)	6,868	17,000
Other	21,540	23,021
	$ 722,156	$ 1,033,433
Accrued liabilities due CEO		
Interest due CEO	$ 37,429	$ 34,000
Royalty due CEO	1,400,000	2,683,000
	$ 1,437,429	$ 2,717,000

The Company expensed $3,400,000 for the year ended December 31, 2008 and $2,683,000 for the six-month period ended June 30, 2009 (unaudited) as a royalty due the CEO for the nonexclusive and revocable right to use certain of his intangible property, including without limitation, his personal name and reputation, to further its business. The Company makes such royalty payments at amounts agreed upon annually by the CEO and Company.

7. Long-Term Debt, Net Of Current Portion

Long-term debt, net of current portion consists of unsecured notes payable to CEO and notes and contracts payable, as follows:

Unsecured Notes Payable to CEO

	December 31, 2008	June 30, 2009 (unaudited)
Unsecured Note	$ 13,875,651	$ 13,728,755
Unsecured Subordinated Note	1,600,000	1,349,421
	15,475,651	15,078,176
Less: Current portion	(762,000)	(782,000)
Total unsecured notes payable to CEO, net	$ 14,713,651	$ 14,296,176

At December 31, 2008, future payments of unsecured notes payable to CEO are due as follows:

2009	$ 762,000
2010	803,000
2011	846,000
2012	301,000
2013	322,000
Thereafter	12,442,000

Unsecured Note

The unsecured note is due to the CEO in monthly principal and interest installments ($88,066) through June 2018, at which time the remaining principal balance ($10,695,666) is due, and bears interest at 5.75% (the "Unsecured Note"). In December 2008, the Company executed the Unsecured Note in the amount of its debt (principal $13,875,651 plus accrued interest $19,946) formerly due to City National Bank ("CNB") under a term note related to the purchase of a new aircraft. Pursuant to an assumption agreement among the Company, the CEO and CNB, the CEO assumed the Company's liabilities and obligations to CNB under this term note as if the term note had been made, executed and delivered by the CEO; CNB released the Company from any and all of its liabilities and obligations to CNB under the term note; CNB terminated the CEO's limited guaranty of the term note; and CNB amended the aircraft security agreement so that the Company granted CNB a security interest in the new aircraft for the debt assumed by the CEO. The Unsecured Note carries payment terms identical to those of the term note. The Company has complied with these payment terms as of the date of this report.

In June 2008, the Company had executed the CNB term note of $14,000,000 and used the proceeds to close the purchase of the new aircraft (Note 5), including repayment of a multiple disbursement note. At the time of purchase in October 2007, the Company arranged secured financing for the aircraft to be manufactured by Gulfstream with CNB, so that (i) prior to aircraft delivery, it could make advance payments to Gulfstream through draw-downs on the multiple disbursement note and (ii) upon its acceptance of aircraft delivery, it could execute a fixed-rate term note (subject to an interest rate lock-in agreement) under a credit facility commitment. At 2007, the Company made advance payments totaling $11,730,000 to Gulfstream under the multiple disbursement note. Such advances bore interest, which was paid monthly, at LIBOR + 100bps (4.44% average rate in 2008) or prime rate, was secured by assets of the Company and guaranteed in part by the CEO. In May 2008, the Company broke the rate lock-in agreement, forfeited the time deposit of $69,000 given to secure that agreement and, under a new credit facility commitment, reset the fixed rate interest for the term note that was ultimately executed by the Company.

Unsecured Junior Subordinated Promissory Note

The unsecured promissory note is due to the CEO in quarterly principal and interest installments ($144,457) through December 2011; bears interest at 5%; and is subordinated to all debts, liabilities and obligations to CNB (the "Unsecured Subordinated Note"). The Company used the proceeds of the Unsecured Subordinated Note to redeem all shares held by the ESOP trust (Note 9).

Notes and Contracts Payable

	December 31, 2008	June 30, 2009 (unaudited)
Term Note due bank	$ 1,292,000	$ 646,000
Equipment finance contracts	289,462	256,425
Total notes and contracts payable	1,581,462	902,425
Less: Current portion	(1,359,000)	(715,000)
Total notes and contracts payable, net	$ 222,462	$ 187,425

At December 31, 2008, future payments of notes and contracts payable are due as follows:

2009	$ 1,359,000
2010	71,000
2011	76,000
2012	52,000
2013	23,000

Term Note

The term note is due to CNB in quarterly principal installments ($323,000) through December 2009; bears interest, which is payable monthly, at LIBOR + 75bps (2.69% at 2008 and 4.14% average rate in 2008) or prime rate; and is secured by a first priority lien on all owned and acquired assets of the Company and guaranteed by the CEO (the “Term Note”). This note arose in November 2005 when the Company refinanced the loan it originally obtained in February 1999 in connection with establishing the ESOP (Note 9). The Term Note contains covenants which, among other things, require the guarantor to maintain specified financial ratios and levels, as defined, and restrict the Company from, without CNB’s prior approval, incurring additional indebtedness, becoming contingently liable for the obligations of others or providing security interests in any of its property or assets. The Company and guarantor have complied with the Term Note covenants.

Equipment Finance Contracts

These contracts are due to finance companies in monthly principal and interest installments of $3,979 and $2,903 through May 2012 and August 2013 with interest at 6.99% and 5%, respectively, and are secured by the automobile so financed. As approved by the Board of Directors, the Company assumed all of the rights of and payment obligations for the automobiles under these contracts from the CEO. In September 2006, the Company acquired a used aircraft and financed the purchase with a secured loan of $1,500,000. The used aircraft note was due in monthly principal and interest installments of $13,166 through September 2011; bore interest at 6.62%, was secured by the used aircraft and guaranteed by the CEO. In June 2008, the Company sold the used aircraft and paid off the note.

8. Income Taxes

The components of the provision for income taxes for the year ended December 31, 2008 and the six-month period ended June 30, 2009, respectively, consist of the following:

	December 31, 2008	June 30, 2009 (unaudited)
Current		
Federal	$ 420,000	$ —
State	145,000	13,000
	565,000	13,000
Deferred		
Federal	519,000	(447,000)
State	165,000	111,000
	684,000	(336,000)
	$ 1,249,000	$ (323,000)

The effective rate for the provision for income taxes differs from the federal statutory rate for the year ended December 31, 2008 and the six-month period ended June 30, 2009, respectively, as follows:

	December 31, 2008	June 30, 2009 (unaudited)
Effective annual rate		
Federal statutory rate	34.00%	—%
State income tax provisions, net	6.81%	4.35%
ESOP contributions and dividends	(12.55%)	—%
Non-deductible expenses	13.32%	—%
Effective annual rate	41.58%	4.35%
Discrete items		
Prior year deferred items	—%	(84.38%)
State income taxes	—%	(5.71%)
Tax on “built-in” gains	—%	55.45%
Discrete items	—%	(34.64%)
Effective rate	41.58%	(30.29%)

In 2008, the ESOP contributions and dividends charged to retained earnings relate to ESOP shares allocated to participants (Note 9). In March 2009, the Company filed an election to convert its tax status from a "C Corporation" to an "S Corporation", effective January 1, 2009. As a result, the Company's taxable income or loss for 2009 and future years will be distributed to and included with the taxable income of the Sitrick Trust and it will no longer pay income taxes, except in the event of triggering "built-in" gains for tax purposes and for certain state and city taxing authorities. Accordingly, as of the effective date, the Company included in the 2009 provision for income taxes the discrete items associated with this election that reduced its net deferred income taxes and provided for the tax on "built-in" gains for tax purposes.

The components of net deferred income taxes consist of the following asset (liability) items:

	December 31, 2008	June 30, 2009 (unaudited)
Current deferred income taxes		
Trade receivables	$(2,700,000)	$(207,000)
Allowance for doubtful accounts	792,000	66,000
Prepaid expenses	(27,000)	(2,000)
Accounts payable	159,000	13,000
Unearned client retainers	424,000	26,000
Accrued liabilities	235,000	31,000
Current state tax provisions	128,000	—
Net current liability	(989,000)	(73,000)
Long-term deferred income taxes		
Depreciation	(830,000)	(107,000)
Unrealized losses on marketable securities	151,000	11,000
Deferred credits	25,000	4,000
Capital loss carryovers	2,000	—
Alternative minimum tax credits	549,000	—
Built-in gains	—	(591,000)
Net long-term asset (liability)	(103,000)	(683,000)
Net deferred income taxes	$(1,092,000)	$(756,000)

The Company did not record a valuation allowance to reduce the deferred income tax asset at December 31, 2008 because management believes, had the election not been made, it is more likely than not that this asset would have been realized through future taxable earnings or alternative tax strategies, although realization of such deferred income tax asset would not have been assured.

The Company paid income taxes of $115,072 during the year ended December 31, 2008 and $210,000 during the six-month period ended June 30, 2009 (unaudited). The Company had income taxes payable of $1,045,722 at December 31, 2008 and $848,722 at June 30, 2009 (unaudited). The Company's federal income tax returns for 2006 and thereafter and state income tax returns for 2005 and thereafter are subject to examination by the respective taxing authorities. The IRS has commenced an examination of the Company's 2007 income tax return.

9. Employee Benefit Plans

401(k) Plan

Effective December 1, 2008, the Company established a 401(k) Plan which covers all employees who have completed one month of service and are age 21 or older. Each 401(k) Plan year, a participant may contribute up to the maximum permitted amount, as defined, from his/her annual pay and the Company may make discretionary contributions. To receive an allocation of any such discretionary contributions and/or forfeitures, a participant must have a minimum of 1,000 hours of service as an employee during the 401(k) Plan year and be employed on the last day of such year. The Company did not contribute to the 401(k) Plan in 2008.

Employee Stock Ownership Plan

In December 2008, the Company redeemed all *Class B common* shares held by the ESOP trust at a total cost of $2,002,023, which consisted of cash to participants ($1,600,000), the cost of unearned ESOP shares ($121,195), and costs incurred to effect the redemption transaction ($280,828). To fund this redemption, the CEO loaned $1,600,000 to the Company in exchange for the Unsecured Subordinated Note (Note 7). Prior to 2008, the Company had redeemed the Class B common shares held by two fully-vested participants who had terminated employment for cash ($222,020). All redeemed Class B common shares are now held in treasury at cost of $2,224,043.

The Company established the ESOP in January 1999 when it adopted the ESOP plan; set up the ESOP trust; borrowed funds from a bank, which note was ultimately refinanced by the Term Note (Note 7); loaned those funds to the ESOP trust to acquire common shares representing a 24.32% interest in the Company (the “ESOP Shares”) from the CEO; and received a note from the ESOP trust in consideration of the loan (the “ESOP Note”). During each year, the Company was required to make contribution and dividend payments to the ESOP trust sufficient in amount to service the ESOP Note, which was due to the Company in quarterly principal installments ($380,000) plus interest commencing June 1999 through March 2009. Each year, the ESOP trust was required to allocate a specified number of the unallocated ESOP Shares to eligible participants based on the principal payments made on the ESOP Note. The ESOP Shares not allocated to participant accounts served as collateral for the ESOP Note, which was pledged to the bank and the CEO. The CEO received this pledge along with a guaranty fee in exchange for his guarantee of the Company’s bank debt related to the ESOP. In connection with the redemption transaction, all participants became fully vested in their allocated ESOP shares, the balance due ($760,000) on the ESOP Note was cancelled and the guarantee fee was eliminated.

For financial statement purposes, the Company accounted for shares allocated each year as (i) compensation expense ($31,655 for the year ended December 31, 2008) based on the average fair value per share for the year using a market approach valuation method and (ii) a retained earnings adjustment (a charge of $150,135 for the year ended December 31, 2008) for the difference between that value per share and the ESOP’s original cost per share. In addition, the Company accounted for the guaranty fee ($135,660 for the year ended December 31, 2008) as interest expense. The fee was calculated at 6% per annum on the unpaid bank debt, payable semiannually in advance on January 1 and July 1 of each year. In addition, the Company incurred ESOP plan administration costs of $37,676 for the year ended December 31, 2008 and $32,218 for the six-month period ended June 30, 2009 (unaudited).

In June 2009, the ESOP was merged into the newly-established 401(k) Plan.

10. Commitments and Contingencies

Lease Commitments

The Company leases its principal office facilities under noncancelable operating lease agreements expiring in June 2009 (renewed for one year in July 2009) and September 2013 (with a renewal option of five years).

At December 31, 2008, future minimum payments due on these two leases, net of security deposits, are as follows:

2009	$ 758,000
2010	693,000
2011	714,000
2012	735,000
2013	506,000
	$ 3,406,000

The CEO guaranteed payments of $549,000 at December 31, 2008, which amount reduces by $112,000 in March of each year. Facilities rent expense was $1,215,051 for the year ended December 31, 2008 and $639,298 for the six-month period ended June 30, 2009 (unaudited) and included $14,000 per month paid to the CEO for the month-to-month lease of his New York condominium as temporary corporate lodging.

The Company has recorded total deferred credits of approximately $186,900 at December 31, 2008 and $213,000 at June 30, 2009 (unaudited), of which $6,868 and $17,000 respectively is classified as a current liability, for the effects of scheduled rent adjustments, abatements and other allowances related to the September 2013 lease. The deferred credits at December 31, 2008 will be credited against future rent expense in amounts of:

2009	$ 6,868
2010	27,000
2011	47,900
2012	69,300
2013	35,832

Included in other current assets is a rent abatement of $124,998 at December 31, 2008 and $42,869 at June 30, 2009 (unaudited) for unused tenant improvement allowances.

At December 31, 2008, the Company had no material equipment operating leases and no capital leases.

Employment Arrangements

The Company has performance bonus arrangements with its key employees. The arrangements generally provide that the employee receives a specified percentage of base salary for achieving certain targeted levels of client billable hours for the year. In addition, the CEO may award discretionary bonuses to those key employees not achieving the targeted levels and to non-covered employees. The Company also has employment contracts with certain key employees that, unless extended, expire at various dates through March 2011;

generally provide for an initial two-year term which may be extended at the Company's option; terminate on a change in control or for cause, as defined; and provide for incentive compensation based on certain professional fees. The Company accrues estimated performance bonuses, discretionary bonuses and incentive compensation based on a review of each employee's performance at the end of each quarter and the likelihood of discretionary bonus awards. The Company recorded an accrued liability for these items of $99,000 at December 31, 2008 and $529,000 at June 30, 2009 (unaudited). Substantially all amounts accrued during the year for these items are paid in December of each year.

Legal Proceedings

The Company had been named as an additional defendant in two lawsuits filed by third parties against two of its clients who are indemnifying the Company in these matters. In one case, the Company had its motion to dismiss granted and was dismissed as a defendant by the trial court; and plaintiff's later appeal was dismissed by the appellate court. In the other case, the Company's motion to dismiss as a defendant was also granted by the trial court and the case was dismissed on October 1, 2009; the plaintiff has a deadline of November 4, 2009 to file a notice of appeal of that dismissal should plaintiff elect to appeal. The Company was also involved with the CEO and the Sitrick Trust, who were the defendants in a declaratory action lawsuit filed by the general partner of an investment fund, against whom the Sitrick Trust has a $7.7 million judgment. In 2006 the Sitrick Trust sought to collect on its 2002 judgment against the general partner who, in turn, filed the suit for, among other things, declaratory relief to enjoin and restrain it from enforcing the judgment. In 2008 the Court held that the Sitrick Trust was enjoined from enforcing the judgment. An appeal has been filed. The Company believes, based on available information, that the ultimate outcome of these matters would not have a material adverse effect on the Company's financial position, cash flows or results of operations.

11. Concentrations Of Risk

The financial instruments which potentially subject the Company to concentrations of credit risk are primarily trade receivables. The Company's credit risk could, at times, have some degree of concentration due to the nature of its business, even though its client base is diverse in terms of client profiles and geographic areas. The Company monitors its exposure to credit losses and maintains an allowance for doubtful accounts for anticipated losses. A significant change in the liquidity or financial position of one or more of its clients could result in an increase in the allowance. To mitigate the credit risk, the Company generally accepts a new client only after background checks through discussions with the referral source and the client. One client accounted for 11.28% of professional fees for the six-month period ended June 30, 2009 (unaudited) and 16.19% of trade receivables at June 30, 2009 (unaudited), and one client accounted for 12.98% of trade receivables at December 31, 2008 while no client accounted for more than 10% of professional fees for the year ended December 31, 2008.

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

12. Subsequent Events

In August 2009, the Company purchased all of the stock of Golden West Airlines, Inc. ("GWA") for cash of $105,000. GWA had no assets (other than its air carrier certificate and tradename), no liabilities and no operations.

The Company has evaluated subsequent events through October 22, 2009, the date the financial statements were issued. The Company noted no significant events requiring adjustment to the financial statements.

Exhibit 99.3

BRINCKO ASSOCIATES, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
AND THE SIX MONTHS ENDED JUNE 30, 2009 AND 2008 (UNAUDITED)

CONTENTS

Table of Contents

SingerLewak LLP

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Woodland Hills

Monterey Park

San Diego

Silicon Valley

INDEPENDENT AUDITOR'S REPORT

To John P. Brincko
Brincko Associates, Inc.
Santa Monica, California

We have audited the accompanying balance sheet of Brincko Associates, Inc. (the "Company") as of December 31, 2008, and the related statements of income, stockholder's equity and cash flows for the year then ended. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying balance sheets as of June 30, 2009 and 2008, and the related statements of income and cash flows for the six months ended June 30, 2009 and 2008 and the related statement of shareholder's equity for the six months ended June 30, 2009, have been reviewed by us in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All of the information included in these financial statements is the representation of the management of the Company. A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. However, based on our review, we are not aware of any material modifications that should be made to such financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

SingerLewak LLP

SingerLewak LLP

Irvine, California
November 5, 2009

2050 Main Street, 7th Floor Irvine, CA 92614 T: 949.261.8600 F: 949.261.8610
877.754.4557

Table of Contents

BRINCKO ASSOCIATES, INC.
BALANCE SHEETS

ASSETS

	December 31, 2008	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Current assets			
Cash and cash equivalents	$ 100,967	$ 52,846	$ 37,629
Accounts receivable, net of allowance for doubtful accounts of $129,334, $124,193 and $121,312 for December 31, 2008, June 30, 2009 and June 30, 2008, respectively	637,506	411,864	173,189
Unbilled receivables	134,436	310,056	407,848
Prepaid expenses	28,738	8,091	6,029
Prepaid taxes	7,687	—	—
Total current assets	909,334	782,857	624,695
Property and equipment			
Office equipment	92,104	92,104	92,104
Automobile	74,618	74,618	74,618
Furniture and fixtures	55,650	55,650	55,650
	222,372	222,372	222,372
Less accumulated depreciation and amortization	208,349	215,811	200,887
Total property and equipment	14,023	6,561	21,485
Other assets			
Deposits	6,251	6,251	—
Total other assets	6,251	6,251	—
Total assets	**$ 929,608**	**$795,669**	**$646,180**

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

BRINCKO ASSOCIATES, INC.
BALANCE SHEETS

LIABILITIES AND STOCKHOLDER'S EQUITY

	December 31, 2008	June 30, 2009 (Unaudited)	June 30, 2008 (Unaudited)
Current liabilities			
Accounts payable	$ 4,287	$ 52,523	$ 41,307
Bank overdraft	110,906	—	47,372
Deferred revenue	78,242	117,713	48,490
Pension benefit obligation — current portion	187,068	187,068	178,920
Taxes payable	—	6,461	—
Total current liabilities	380,503	363,765	316,089
Pension benefit obligation, net of current portion	296,152	140,900	177,076
Total liabilities	676,655	504,665	493,165
Commitments and contingencies (Note 7)			
Stockholder's equity			
Common stock, no par value 10,000 shares authorized 1,000 shares issued and outstanding	1,000	1,000	1,000
Additional paid-in capital	10,000	10,000	10,000
Accumulated other comprehensive loss	(378,030)	(460,596)	(98,238)
Retained earnings	619,983	740,600	240,253
Total stockholder's equity	252,953	291,004	153,015
Total liabilities and stockholder's equity	**$ 929,608**	**$ 795,669**	**$646,180**

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

BRINCKO ASSOCIATES, INC.
STATEMENTS OF INCOME

	Year Ended December 31, 2008		Six Months Ended June 30, 2009 (Unaudited)		Six Months Ended June 30, 2008 (Unaudited)	
	Amount	% of Net Sales	Amount	% of Net Sales	Amount	% of Net Sales
Net revenues	$1,988,370	100.0	$1,920,341	100.0	$965,476	100.0
Cost of revenues	1,038,183	52.2	748,619	39.0	509,725	52.8
Gross profit	950,187	47.8	1,171,722	61.0	455,751	47.2
General and administrative expenses	590,394	29.7	295,179	15.4	282,754	29.3
Income before other income (expense)	359,793	18.1	876,543	45.6	172,997	17.9
Other income (expense)						
Interest income	364	0.0	148	0.0	218	0.0
Other income	22,314	1.1	14,115	0.7	10,652	1.1
Total other income (expense)	22,678	1.1	14,263	0.7	10,870	1.1
Income before provision for income taxes	382,471	19.2	890,806	46.3	183,867	19.0
Provision for income taxes	5,630	0.2	14,089	0.7	—	—
Net income	**$ 376,841**	**19.0**	**$ 876,717**	**45.6**	**$183,867**	**19.0**

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

BRINCKO ASSOCIATES, INC.
STATEMENT OF STOCKHOLDER'S EQUITY
For the Year Ended December 31, 2008
and the Six Months Ended June 30, 2009 (Unaudited)

	Common Stock		Additional	Accumulated Other Comprehensive	Retained	
	Shares	Amount	Paid in Capital	Loss	Earnings	Total
Balance December 31, 2007	1,000	$ 1,000	$ 10,000	$ (98,238)	$ 511,762	$ 424,524
Stockholder distributions	—	—	—	—	(268,620)	(268,620)
Change in funded status of pension benefit obligation	—	—	—	(279,792)	—	(279,792)
Net income	—	—	—	—	376,841	376,841
Balance December 31, 2008	1,000	$ 1,000	$ 10,000	$ (378,030)	$ 619,983	$ 252,953
Stockholder distributions (unaudited)	—	—	—	—	(756,100)	(756,100)
Change in funded status of pension benefit obligation	—	—	—	(82,566)	—	(82,566)
Net income (unaudited)	—	—	—	—	876,717	876,717
Balance June 30, 2009 (unaudited)	**1,000**	**$ 1,000**	**$ 10,000**	**$ (460,596)**	**$ 740,600**	**$ 291,004**

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

Table of Contents

BRINCKO ASSOCIATES, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2008	Six Months Ended June 30, 2009 (Unaudited)	Six Months Ended June 30, 2008 (Unaudited)
Cash flows from operating activities			
Net income	$ 376,841	$ 876,717	$ 183,867
Adjustments to reconcile net income to net cash flows from operating activities			
Bad debt expense	8,022	(5,141)	—
Net periodic benefit cost	13,788	34,997	6,894
Depreciation	14,924	7,462	7,462
(Increase) decrease in			
Accounts receivable	(371,976)	230,783	100,363
Unbilled receivable	604,220	(175,620)	332,432
Prepaid expenses	(23,491)	20,647	(782)
Prepaid taxes	(7,687)	7,687	—
Deposits	(6,251)	—	—
Increase (decrease) in			
Accounts payable	(9,227)	48,236	27,793
Bank overdraft	(185,767)	(110,906)	(249,301)
Pension benefit obligation	(159,462)	(272,815)	—
Deferred revenue	58,242	39,471	28,490
State taxes payable	—	6,461	—
Net cash flows from operating activities	312,176	707,979	437,218
Cash flows from financing activities			
Distribution to shareholder, net	(268,620)	(756,100)	(457,000)
Net cash flows from financing activities	(268,620)	(756,100)	(457,000)
Net change in cash and cash equivalents	43,556	(48,121)	(19,782)
Cash and cash equivalents, beginning of year	57,411	100,967	57,411
Cash and cash equivalents, end of year	**$ 100,967**	**$ 52,846**	**$ 37,629**
Supplemental disclosure for cash flows information			
Taxes paid	**$ 13,317**	**$ —**	**$ —**
Supplemental disclosure for non-cash financing activities			
Change in unfunded status of pension benefit obligation	**$ (279,792)**	**$ (82,566)**	**$ —**

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

NOTE 1 — ORGANIZATION AND LINE OF BUSINESS

Brincko Associates, Inc. (the "Company") is a California corporation incorporated in February 1981. The Company is an international management consulting firm providing personalized expert consulting advice for a variety of business situations.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies presented below is designated to assist in understanding the Company's financial statements. The financial statements and accompanying notes are the representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies confirm to accounting principles generally accepted in the United States of America ("GAAP") in all material aspects.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting year. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The bank overdraft is classified as a current liability.

Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments" ("SFAS 107") required management to disclose the estimated fair value of certain assets and liabilities defined by SFAS 107 as cash or a contractual obligation that both conveys to one entity a right to receive cash or other financial instruments from another entity, and imposes on the other entity the obligation to deliver cash or other financial instruments to the first entity. For certain of the Company's financial instruments, including cash and cash equivalents, receivables, prepaid expenses, accounts payable and deferred revenue, the carrying amounts approximate fair value due to short maturities.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable consists of amounts due from clients related to delivery of management consulting services. The Company provides credit to its customers in the normal course of business. Other than the use of client retainers, the Company does not obtain collateral with which to secure its accounts receivable. The Company maintains reserves for potential credit losses for selected clients based upon the nature of the Company's historical experience with its customers and financial condition. As of December 31, 2008, June 30, 2009 and June 30, 2008, the Company has recorded an allowance for doubtful accounts $129,334, $124,193 (unaudited), and $121,312 (unaudited), respectively, and believes that this allowance is sufficient for any uncollectible amounts and future returns. Although the Company expects to collect amounts due, actual collections may differ from estimated amounts.

Unbilled Receivables

Unbilled receivables represent costs incurred and estimated fees on contracts for which billings have not been presented to customers. When billed, these amounts are included in accounts receivable.

Revenue Recognition

Revenues for management services provided are recognized in the month that services are performed. Revenue is recognized once persuasive evidence of an agreement exists, the fee is fixed and determinable, the services have been delivered, and the collection of funds has been assured.

Property and Equipment

Property and equipment are stated at cost. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the various class of property, which are as follows:

Office equipment	5 to 10 years
Automobile	5 years
Furniture and fixtures	5 to 10 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the results of operations.

For the year ended December 31, 2008 and the six months ended June 30, 2009 and 2008, depreciation amounted to $14,924, $7,462 (unaudited) and $7,462 (unaudited) respectively.

See accompanying Independent Auditor's Report.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for the Impairment of Long-Lived Assets

The Company accounts for its long-lived assets in accordance with Statement of Financial Accounting Standards No. 144, *"Accounting for the Impairment or Disposal of Long-Lived Assets"* ("SFAS 144"). SFAS 144 requires that an impairment loss be recognized only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows and that the measurement of an impairment loss be the difference between the carrying amount and fair value of the asset. Management has evaluated the recoverability of its long-lived assets and has determined that no impairment has occurred as of the periods ended December 31, 2008, June 30, 2009 (unaudited), and June 30, 2008 (unaudited).

Advertising

Advertising costs are charged to expense as incurred. For the year ended December 31, 2008 and for the six months ended June 30, 2009 and 2008, advertising expense amounted to $2,075, $3,669 (unaudited), and $1,180 (unaudited), respectively.

Leases

The Company accounts for its lease agreements pursuant to Statement of Financial Accounting Standards No. 13, "*Accounting for Leases*" ("SFAS 13"), which categorizes leases at their inception as either operating or capital leases depending on certain defined criteria. On certain lease agreements, the Company receives rent holidays and other incentives. The Company recognizes lease costs on a straight-line basis without regard to the deferred payment terms and the difference between rent expense and amounts paid under the lease agreements are recorded.

Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Accordingly, these financial statements do not include any provision for income taxes other than tax imposed by the state of California. Instead, earnings and losses are included in the stockholder's personal income tax returns and are taxed based on his personal tax strategies.

Defined Benefit Pension Plan

Statement of Financial Accounting Standards No. 158, *"Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans -— an amendment of FASB Statements No. 87, 88, 106, and 132(R)"* ("SFAS 158") requires employers to recognize the overfunded or underfunded positions of defined benefit postretirement plans, including pension plans, on the balance sheet, and requires the change in funded status to be recognized in other comprehensive income.

See accompanying Independent Auditor's Report.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, *"Fair Value Measurements"* ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements, and does not require any new fair value measurements.

The application of SFAS 157, however, may change current practice within an organization. SFAS 157 is effective for all fiscal years beginning after November 15, 2007, with earlier application encouraged. Effective for fiscal years beginning after November 15, 2007, companies were required to implement SFAS 157 for certain assets and liabilities that are carried at fair value on a recurring basis in financial statements. The FASB did, however, provide a one-year deferral for the implementation of SFAS 157 for other nonfinancial assets and liabilities. The Company does not expect the implementation of this deferral to have a material impact on the financial position and results of operations. Accordingly, the Company adopted SFAS 157 for financial assets and liabilities on January 1, 2008 without any effect.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, *"The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB No. 115"* ("SFAS 159"). This standard amends SFAS No. 115, "Accounting for Certain Investment in Debt and Equity Securities," with respect to accounting for a transfer to the trading category for all entities with available-for-sale and trading securities electing the fair value option. This standard allows companies to elect fair value accounting for many financial instruments and other items that currently are not required to be accounted as such, allows different applications for electing the option for a single item or groups of items, and requires disclosures to facilitate comparisons of similar assets and liabilities that are accounted for differently in relation to the fair value option. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company adopted SFAS 159 effective January 1, 2008 without any effect. As permitted by SFAS 159, the Company has elected not to use the fair value option to measure financial assets and liabilities.

In May 2009, the FASB issued Statement of Financial Accounting Standards No. 165, *"Subsequent Events"* ("SFAS 165"). The objective of this statement is to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company has adopted SFAS 165 effective June 15, 2009. SFAS 165 did not have a material impact on the financial reporting of the Company.

See accompanying Independent Auditor's Report.

Table of Contents

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements (Continued)

In July 2006, the FASB issued Interpretation No. 48 (FIN 48) "Accounting for Uncertainty in Income Taxes." FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." FIN 48 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return that results in a tax benefit. In addition, FIN 48 provides guidance on de-recognition, income statement classification of interest and penalties, accounting in interim periods, disclosure, and transition.

In December 2008, the FASB provided for a deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Company has elected this deferral and accordingly adopted FIN 48 in its 2009 annual financial statements. Management is currently assessing the impact of FIN 48 on its financial position and results of operations and has not yet determined if the adoption of FIN 48 will have a material effect on its financial statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141 (revised 2007), *"Business Combinations"* ("SFAS 141(R)"). SFAS 141(R) establishes principles and requirements for how the acquirer of a business (a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree; (b) recognizes and measures in its financial statements the goodwill acquired in the business combination or a gain from a bargain purchase; and (c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141(R) is effective for fiscal years beginning on or after December 15, 2008. Accordingly, the Company will apply SFAS 141(R) for acquisitions effected after January 1, 2009.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, *"Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51"* ("SFAS 160"). SFAS 160 requires that the ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled and presented in the consolidated balance sheets within equity, but separate from the parent's equity. In addition, the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of operations. SFAS 160 also requires that changes in the parent's ownership interest be accounted for as equity transactions if a subsidiary is deconsolidated and any retained noncontrolling equity investment be measured at fair value. It also requires that disclosures clearly identify and distinguish between the interests of the parent and noncontrolling owners. The provisions of SFAS 160 are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company adopted SFAS 160 effective January 1, 2009 and does not expect SFAS 160 to have a material impact on its financial position and results of operations.

See accompanying Independent Auditor's Report.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements (Continued)

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, *“Disclosures about Derivative Instruments and Hedging Activities, an Amendment of FASB Statement No. 133”* (“SFAS 161”). SFAS 161 requires enhanced disclosures about a company’s derivative and hedging activities. These enhanced disclosures must discuss (a) how and why a company uses derivative instruments (b) how derivative instruments and related hedged items are accounted for under FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, and its related interpretations; and (c) how derivative instruments and related hedged items affect a company’s financial position, results of operations and cash flows. SFAS 161 is effective for fiscal years beginning on or after November 15, 2008, with earlier adoption allowed. The Company does not expect the effective adoption of SFAS 161 on January 1, 2009 to have a material impact on its financial position and results of operations.

Recently Issued Accounting Pronouncements

In June 2009, the FASB issued Statement of Financial Accounting Standards No, 166, *“Accounting for Transfers of Financial Assets an amendment of FASB Statement No. 140”* (“SFAS 166”). The objective of this statement is to improve the relevance, representational faithfulness, and comparability of the information a reporting entity provides in its financial reports about a transfer of financial assets. SFAS 166 is not expected to have a material impact on the financial reporting of the Company.

In June 2009, the FASB issued Statement of Financial Accounting Standards No. 167, *“Amendments to FASB Interpretation No. 46(R)”* (“SFAS 167”). This Statement amends Interpretation 46(R) to require ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. Before SFAS 167, Interpretation 46(R) required reconsideration of whether an enterprise is the primary beneficiary of a variable interest entity only when specific events occurred. This Statement amends Interpretation 46(R) to add an additional reconsideration event for determining whether an entity is a variable interest entity when any changes in facts and circumstances occur such that the holders of the equity investment at risk, as a group, lose the power from voting rights or similar rights of those investments to direct the activities of the entity that most significantly impact the entity’s economic performance. SFAS 167 is effective as of the beginning of each reporting period that begins after November 15, 2009. Management does not expect the adoption of SFAS 167 to have a material impact on the Company’s financial statements.

See accompanying Independent Auditor’s Report.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

In June 2009, the FASB issued Statement of Financial Accounting Standards No. 168, *"The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162"* ("SFAS 168"). SFAS 168 establishes the FASB Accounting Standards Codification as the source of authoritative United States of America generally accepted accounting principles ("GAAP") and, once in effect, will supersede SFAS No. 162. SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. Adoption of SFAS 168 will not have a material effect on the Company's financial statements.

NOTE 3 — CONCENTRATIONS OF RISK

Cash and Cash Equivalents

The Company maintains its cash and cash equivalents with high-credit, quality financial institutions which, from time to time, exceed amounts insured by the Federal Deposit Insurance Corporation of up to $250,000 for interest bearing accounts. As of December 31, 2008, June 30, 2009 and 2008 (unaudited), the Company did not have any uninsured deposits, respectively. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Customers

For the year ended December 31, 2008, four customers represented approximately 82% of total revenues. As of December 31, 2008, three customers represented approximately 82% of accounts receivable.

For the six months ended June 30, 2009 (unaudited), two customers represented approximately 63% of total revenues. As of June 30, 2009 (unaudited), two customers represented approximately 70% of accounts receivable.

For the six months ended June 30, 2008 (unaudited), three customers represented approximately 95% of total revenues. As of June 30, 2008 (unaudited), two customers represented approximately 90% of accounts receivable.

Suppliers

For the year ended December 31, 2008, one supplier represented approximately 28% of total purchases. As of December 31, 2008, one supplier represented approximately 100% of accounts payable.

For the six months ended June 30, 2009 (unaudited), one supplier represented approximately 20% of total purchases. As June 30, 2009 (unaudited), two suppliers represented approximately 94% of accounts payable.

See accompanying Independent Auditor's Report.

NOTE 3 — CONCENTRATIONS OF RISK (Continued)

For the six months ended June 30, 2008 (unaudited), one supplier represented approximately 27% of total purchases. As June 30, 2008 (unaudited), three suppliers represented approximately 99% of accounts payable.

NOTE 4 — LINE OF CREDIT

The Company maintains a credit facility with a bank that allows the Company to borrow a maximum of $250,000 and is personally guaranteed by the shareholder. The unsecured line note bears interest at the bank's prime rate (3.25% as of December 31, 2008 and June 30, 2009 and 5% as of June 30, 2008) plus 1.25%. The line of credit matures on December 1, 2009. As of December 31, 2008, June 30, 2009 and 2008 (unaudited), the Company did not have any borrowings against this line.

NOTE 5 — EMPLOYEE DEFINED BENEFIT PENSION PLAN

The Company maintains a defined benefit plan ("DB Plan") covering all eligible employees, as defined. The funding of the DB Plan is based on the annual actuarial calculation using certain assumptions per the DB Plan agreement. The defined benefit assets are invested in various securities including cash and marketable securities. All employees are vested after 6 years of service.

The following sets forth the BD Plan's funded status and amounts recognized in the Company' financial statements as follows:

Net periodic benefit cost for the year ended December 31, 2008:

Service cost	$ 17,954
Interest cost	61,675
Expected return on plan assets	(65,841)
Net periodic benefit cost	**$ 13,788**

See accompanying Independent Auditor's Report.

NOTE 5 — EMPLOYEE DEFINED BENEFIT PENSION PLAN (Continued)

Net periodic benefit cost for the six months ended June 30, 2009 and 2008 respectively (unaudited):

	2009	2008
Service cost	$ 9,839	$ 8,977
Interest cost	35,002	30,838
Expected return on plan assets	(15,716)	(32,921)
Amortization of net loss	5,872	—
Net periodic benefit cost	**$ 34,997**	**$ 6,894**

Obligation status at December 31, 2008:

Benefit obligation at beginning of year	$2,047,431
Service cost	17,954
Interest cost	61,675
Actuarial loss	185,166
Benefit obligation at end of year	**$2,312,226**

Fair value of plan assets at December 31, 2008:

Fair value of plan assets at beginning of year	$1,698,329
Actual return on plan assets	(28,785)
Employer contributions	159,462
Fair value of plan assets at end of year	**$1,829,006**

Funded status at December 31, 2008:

Fair value of plan assets	$1,829,006
Projected benefits obligations	2,312,226
Funded status	**$ (483,200)**

Amounts recognized in accumulated other comprehensive income consists of:

Net loss	$279,792
Prior service cost	—
	$279,792

See accompanying Independent Auditor's Report.

NOTE 5 — EMPLOYEE DEFINED BENEFIT PENSION PLAN (Continued)

Information for pension plans with accumulated benefit obligations in excess of plan assets at December 31, 2008 were as follows:

Projected benefit obligations	$2,312,226
Accumulated benefit obligations	$2,170,367
Fair value of plan assets	$1,829,006

The following represents pension costs and other amounts recognized in other comprehensive income for the year ended December 31, 2008:

Net periodic benefit cost	$ 13,788
Net loss	279,792
Prior service cost	—
Amortization of prior service cost	—
Total recognized in net periodic benefit cost and other comprehensive income	**$293,580**

The estimated net loss and prior service costs for the defined benefit pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year amounts to $11,745.

Weighted average assumptions used to determine benefit obligations and net periodic benefit cost were as follows at December 31, 2008:

Discount rate (benefit obligation/benefit cost)	5.50% / 5.50%
Rate of employee compensation increase	5.00%
Expected rate of return on plan assets	8.00%
Future increases in compensation and benefit limits	3.00%
Measurement date	December 31, 2008

The discount rate is estimated based on the yield on a portfolio of high quality investments. It fluctuates according to general level of interest rates rises or declines. The Company evaluates the discount rate on an annual basis.

To develop the expected long-term rate of return on plan asset assumptions, the Company considered the historical returns and the future expectations for returns on each asset class, as well as target asset allocation of the pension portfolio.

See accompanying Independent Auditor’s Report.

NOTE 5 — EMPLOYEE DEFINED BENEFIT PENSION PLAN (Continued)

The asset allocation for the Company's Plan by asset category was as follows at December 31, 2008:

Asset Category	Percentage of Plan Assets at December 31, 2008
Cash — Interest bearing	3.0%
Cash — Non-Interest bearing	47.0%
Debt securities	11.0%
Other assets — Rare wines	39.0%
Total	**100.0%**

To develop the expected long-term rate of return on plan asset assumptions, the Company considered the historical returns and the future expectations for returns on each asset class, as well as target asset allocation of the pension portfolio.

Plan assets are invested in various asset classes that are expected to produce a sufficient level of diversification and investment return over the long term. All investment policies and procedures are designed to ensure that the Plan's investments are in compliance with Employee Retirement Income Security Act ("ERISA"). Guidelines are established defining permitted investments within each asset class.

The expected cash flows for the Company Plan are as follows:

Company contributions:	
2008	$159,462
2009 (estimated)	$272,815
Benefit Payments:	
2008	$ —

The estimated future benefits expected to be paid out within the next five years are as follows:

Year Ending December 31,	
2009	$2,107,083
2010	—
2011	—
2012	—
2013	—
Thereafter	—
Total	**$2,107,083**

See accompanying Independent Auditor's Report.

NOTE 6 — SHAREHOLDER'S EQUITY

During the year ended December 31, 2008 and the six months ended June 30, 2009 and 2008 (unaudited), the Company made short term borrowings and loans to and from its principal shareholder, John Brincko, on a temporary basis to fund operations or advances on shareholder distributions. Net borrowings from and advances to shareholder have been classified as distributions on the accompanying statement of stockholder's equity.

NOTE 7 — COMMITMENTS AND CONTINGENCIES

On October 1, 2008 the Company entered into a new lease agreement and leases office facilities and storage space under non-cancelable operating lease agreements that expire November 2011 and requires minimal monthly rental payments of $6,020. The leases have an annual payment escalation clause. The Company also leased office equipment under a non-cancelable operating lease agreement that expired January 2009 and required minimal monthly rental payments of $60.

The Company subleases a portion of their office and storage facility to a customer on a cancelable month-to-month basis. For the year ended December 31, 2008 and the six months ended June 30, 2009 and 2008, the sublease income was $22,314, $14,115 (unaudited), and $10,652 (unaudited), respectively. Rent expense for the year ended December 31, 2008 and the six months ended June 30, 2009 and 2008 was $47,170, $32,237(unaudited), and $23,806 (unaudited), respectively.

Future minimum lease payments at December 31, 2008, under non-cancelable operating leases are as follows:

Year Ending December 31,	
2009	$ 72,613
2010	76,150
2011	72,958
Total	**$221,721**

NOTE 8 — RELATED PARTIES

The owner of the Company has been employed as the main professional delivering services on behalf of the Company and his salary has been included under cost of sales in the statement of income.

See accompanying Independent Auditor's Report.

NOTE 9 — SUBSEQUENT EVENTS

Effective April 1, 2009, the Company adopted Statement of Financial Accounting Standards No. 165, *"Subsequent Events"* ("SFAS 165"). SFAS 165 establishes general standards for accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued. SFAS 165 sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition in the financial statements, identifies the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures that should be made about events or transactions that occur after the balance sheet date.

In preparing these financial statements, the Company evaluated the events and transactions that occurred between December 31, 2008 and November 5, 2009, the date these financial statements were issued.

The owner of the Company is currently negotiating the sale of the Company to an unrelated third party.

See accompanying Independent Auditor's Report.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On November 24, 2009, Resources Connection, Inc. (the “Company”) filed an initial report on Form 8-K with the Securities and Exchange Commission reporting the acquisition of certain assets of Sitrick And Company, a California corporation (“Sitrick Co”), and Brincko Associates, Inc., a California corporation (“Brincko”) through the purchase of all of the outstanding membership interests in Sitrick Brincko Group, LLC, a Delaware limited liability company (“Sitrick Brincko Group”), pursuant to a Membership Interest Purchase Agreement by and among the Company, Sitrick Co, Michael S. Sitrick, an individual, Brincko and John P. Brincko, an individual. In addition, on the same date, the Company completed its acquisition of the personal goodwill of Mr. Sitrick pursuant to a Goodwill Purchase Agreement by and between the Company and Mr. Sitrick.

At the closing, the Company paid to Sitrick Co, Brincko and Mr. Sitrick (collectively, the “Sellers”) an aggregate of $28,564,287 in cash and 822,060 restricted shares of common stock (the number of shares determined using a share exchange price of $18.71) of the Company, par value $0.01 per share, for 100% of the Sitrick Brincko Group membership interests and the goodwill. For financial reporting purposes, the restricted shares were valued at $16,137,037, based upon a $19.63 share price at the closing date. In addition, the Sellers will be entitled to receive contingent consideration provided that Sitrick Brincko Group’s average annual earnings before interest, taxes, depreciation and amortization, or EBITDA, over a period of four years from the date of closing exceeds $11,250,816. In certain change-of-control events involving the Company or Sitrick Brincko Group, the Sellers would be entitled to accelerate the earn-out payments, without a floor on EBITDA. The Company may, in its sole discretion, pay up to 50% of any earn-out payments in restricted stock of the Company.

The unaudited pro forma condensed combined statements of operations for the fiscal year ended May 30, 2009 and for the three months ended August 29, 2009 combine the historical consolidated statements of operations of the Company, Sitrick Co and Brincko, giving effect to the acquisition as if it had occurred on June 1, 2008. The unaudited pro forma condensed combined statements of operations for the fiscal year ended May 30, 2009 include the results of operation of the Company for the year ended May 30, 2009, Sitrick Co for the year ended June 30, 2009 and Brincko for the year ended June 30, 2009. Because Sitrick Co and Brincko both maintained calendar year-ends, the results for the year ended June 30, 2009 were derived by adding the results for the year ended December 31, 2008, adding the results for the six months ended June 30, 2009 and deducting the results for the six months ended June 30, 2008. The unaudited pro forma condensed combined statements of operations for the three months ended August 29, 2009 include the results of operation of the Company for the three months ended August 29, 2009, Sitrick Co for the three months ended June 30, 2009 and Brincko for the three months ended June 30, 2009. The unaudited pro forma condensed combined balance sheet as of August 29, 2009 combines the historical consolidated balances sheets of the Company as of August 29, 2009 with the historical balance sheets of Sitrick Co and Brincko as of June 30, 2009, giving effect to the acquisition as if it had occurred on August 29, 2009. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to only give effect to pro forma events that are (1) directly attributable to the merger; (2) factually supportable; and (3) expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information was based on and should be read in conjunction with the:

- Separate historical financial statements of the Company as of and for the year ended May 30, 2009 and the related notes included in the Company’s Annual Report on Form 10-K for the year ended May 30, 2009;
- Separate historical financial statements of Sitrick Co as of and for the year ended December 31, 2008 (audited) and as of and for the six months ended June 30, 2009 (unaudited) and the related notes included within this Form 8-K;
- Separate historical financial statements of Brincko as of and for the year ended December 31, 2008 (audited) and as of and for the six months ended June 30, 2009 and June 30, 2008 (unaudited) and the related notes included within this Form 8-K;
- Separate historical financial statements of the Company as of and for the three months ended August 29, 2009 and the related notes included in the Company’s Quarterly Report on Form 10-Q for the quarter ended August 29, 2009.

For ease of reference, all pro forma statements use the Company's period-end date and no adjustments were made to Sitrick Co or Brincko's reported information for their different quarter-end dates.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only. The pro forma information is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the merger been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company. There were no material transactions between the Company, Sitrick Co or Brincko during the periods presented in the unaudited pro forma condensed combined financial statements that would need to be eliminated.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting under existing U.S. generally accepted accounting principles, which are subject to change and interpretation. The acquisition accounting is dependent upon certain valuations and other studies that have yet to progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments included herein are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information, and may be revised as additional information becomes available and as additional analyses are performed. Differences between the preliminary estimates reflected in these unaudited pro forma condensed combined financial statements and the final acquisition accounting will likely occur, and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company's future results of operations and financial position.

The Company did not acquire certain assets and liabilities of Sitrick Co and Brincko. These assets and liabilities include 1) certain property and equipment of Sitrick Co and Brincko; 2) debt related to certain property and equipment or due to the CEO of Sitrick Co; and 3) pension liabilities of Brincko. Accordingly, the pro forma adjustments eliminate these assets and liabilities in the pro forma condensed combined balance sheet as of August 29, 2009 or the related expenses in the pro forma condensed combined statements of operations for the year ended May 30, 2009 and the three months ended August 29, 2009.

The unaudited pro forma condensed combined financial information does not reflect any operating synergies or other operational improvements, if any, that the combined company may achieve as a result of the acquisition, the costs to integrate the operations of the Company and Sitrick Brincko Group or the costs necessary to achieve potential operating synergies and revenue enhancements. Additionally, under the terms of the acquisition, up to 20% of the contingent consideration is payable to employees of Sitrick Brincko Group to the extent certain EBITDA growth targets are met. The unaudited pro forma condensed statements of operations and balance sheets do not reflect any adjustments with respect to this provision.

RESOURCES CONNECTION, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS

AS OF AUGUST 29, 2009

(Unaudited)

(amounts in thousands)

	Resources Connection, Inc.	Sitrick And Company Inc.	Brincko Associates, Inc.	Pro Forma Adjustments	Note Reference	Pro Forma Combined
ASSETS						
Current assets:						
Cash and cash equivalents	$ 133,523	$ 4,581	$ 53	$(28,564)	1	$ 109,593
Short-term investments	23,250	—	—	—		23,250
Accounts receivable, net	61,940	4,704	722	—		67,366
Prepaid expenses and other current assets	3,506	176	8	—		3,690
Income taxes receivable	6,622	—	—	—		6,622
Deferred income taxes	10,162	—	—	—	6	10,162
Total current assets	239,003	9,461	783	(28,564)		220,683
Goodwill	111,654	—	—	61,305	2	172,959
Intangible assets, net	5,988	—	—	10,350	2	16,338
Property and equipment, net	33,355	13,204	7	(13,050)	3	33,516
Deferred income taxes	3,201	—	—	23,698	2,6	26,899
Other assets	1,476	253	6	—		1,735
Total assets	$ 394,677	$ 22,918	$ 796	$ 53,739		$ 472,130
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Notes payable to bank and CEO	$ —	$ 1,497	$ —	$ (1,497)	4	$ —
Accounts payable and accrued expenses	14,485	365	53	—		14,903
Accrued salaries and related obligations	31,805	993	—	—		32,798
Other current liabilities	3,789	4,555	311	(2,977)	4	5,678
Total current liabilities	50,079	7,410	364	(4,474)		53,379
Other long-term liabilities	2,287	196	141	57,679	4	60,303
Notes payable to bank and CEO	—	14,483	—	(14,483)	4	—
Deferred income taxes	2,069	683	—	(683)	6	2,069
Total liabilities	54,435	22,772	505	38,039		115,751
Commitments and contingencies						
Stockholders' equity:						
Common stock	537	1	1	(2)	5	537
Additional paid-in capital	290,567	—	10	(506)	5	290,071
Accumulated other comprehensive gain (loss)	1,297	—	(461)	461	5	1,297
Retained earnings	301,735	2,369	741	(7,596)	5	297,249
Dividends paid	(60,652)	—	—	—		(60,652)
Treasury stock	(193,242)	(2,224)	—	23,343	5	(172,123)
Total stockholders' equity	340,242	146	291	15,700	5	356,379
Total liabilities and stockholders' equity	$ 394,677	$ 22,918	$ 796	$ 53,739		$ 472,130

RESOURCES CONNECTION, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATION

FOR THE THREE MONTHS ENDED AUGUST 29, 2009

(Unaudited)

(in thousands, except per share amounts)

	Resources Connection, Inc.	Sitrick And Company Inc.	Brincko Associates, Inc.	Pro Forma Adjustments	Note Reference	Pro Forma Combined
Revenue	$ 118,263	$ 5,596	$ 1,038	$ —		$124,897
Direct cost of services	73,124	—	411	1,476	7,8	75,011
Gross profit	45,139	5,596	627	(1,476)		49,886
Selling, general and administrative expenses	51,637	4,570	162	(2,695)	7,8	53,674
Amortization of intangible assets	393	—	—	990	2	1,383
Depreciation expense	2,200	393	4	(374)	3	2,223
(Loss) income from operations	(9,091)	633	461	603		(7,394)
Interest (income) expense, net and other income	(179)	180	(7)	(152)	4	(158)
(Loss) income before (benefit) provision for income taxes	(8,912)	453	468	755		(7,236)
(Benefit) provision for income taxes	(1,726)	(137)	7	817	6	(1,039)
Net (loss) income	$ (7,186)	$ 590	$ 461	$ (62)		$ (6,197)
Net (loss) income per common share:						
Basic	$ (0.16)					$ (0.13)
Diluted	$ (0.16)					$ (0.13)
Weighted average common shares outstanding:						
Basic	45,302			822	5	46,124
Diluted	45,302			822	5	46,124

RESOURCES CONNECTION, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATION

FOR THE YEAR ENDED MAY 30, 2009

(Unaudited)

(in thousands, except per share amounts)

	Resources Connection, Inc.	Sitrick And Company Inc.	Brincko Associates, Inc.	Pro Forma Adjustments	Note Reference	Pro Forma Combined
Revenue	$ 685,576	$ 24,197	$ 2,943	$ —		$712,716
Direct cost of services	422,171	—	1,277	6,091	7,8	429,539
Gross profit	263,405	24,197	1,666	(6,091)		283,177
Selling, general and administrative expenses	212,680	18,672	588	(11,138)	7,8	220,802
Amortization of intangible assets	1,383	—	—	3,961	2	5,344
Depreciation expense	8,898	1,587	15	(1,500)	3	9,000
Income from operations	40,444	3,938	1,063	2,586		48,031
Interest (income) expense, net and other income	(1,593)	918	(26)	(692)	4	(1,393)
Income before provision for income taxes	42,037	3,020	1,089	3,278		49,424
Provision for income taxes	24,273	626	20	2,384	6	27,303
Net income	$ 17,764	$ 2,394	$ 1,069	$ 894		$ 22,121
Net income per common share:						
Basic	$ 0.39					$ 0.48
Diluted	$ 0.39					$ 0.48
Weighted average common shares outstanding:						
Basic	45,018			822	5	45,840
Diluted	45,726			822	5	46,548

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(amounts in thousands, except shares of stock)

Introductory Comments

The aggregate estimated purchase consideration for the acquisition is as follows:

Cash	$ 28,564
822,060 shares of Company common stock, valued at $19.63 per share	16,137
Estimated future contingent consideration payable, net of amount allocable to Sitrick Brincko Group employees	57,820
Total	$ 102,521

The range of the undiscounted amounts the Company could be obligated to pay as contingent consideration under the earn-out arrangement is between $0 and infinite. The estimated fair value of the contractual obligation to pay the contingent consideration recognized in the pro forma financial statements was $57.8 million. We determined the fair value of the obligation to pay contingent consideration based on probability-weighted projections of average EBITDA during the four year earn-out measurement period. The resultant probability-weighted average EBITDA amounts were then multiplied by 3.15 and then discounted using a discount rate of 1.9%.

In accordance with the Financial Accounting Standards Board's Accounting Standards Codification 805 Business Combinations, the Company will periodically reassess the estimated fair value of the contractual obligation to pay the contingent consideration and any changes in estimated fair value will be recorded in the Company's statement of operations. Such changes in estimated fair value may be significant and cause significant volatility in the Company's operating results during the earn-out measurement period. Additionally, under the terms of the acquisition, up to 20% of the contingent consideration is payable to employees of Sitrick Brincko Group at the end of the earn-out measurement period to the extent certain EBITDA growth targets are met. The Company will record the estimated fair value of the contractual obligation to pay the employee portion of the contingent consideration as it is deemed probable that such amount is payable. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed on an as if basis of August 29, 2009 (in thousands):

Cash and cash equivalents	$ 4,634
Accounts receivable	5,426
Prepaid expenses and other current assets	184
Intangible assets	10,350
Property and equipment, net	160
Other assets	260
Total identifiable assets	21,014
Accounts payable and accrued expenses	418
Accrued salaries and related obligations	993
Other current liabilities	1,889
Other long-term liabilities	196
Total liabilities assumed	3,496
Net identifiable assets acquired	17,518
Goodwill, other intangible assets and deferred tax assets	85,003
Net assets acquired	$ 102,521

The above estimated fair values of assets acquired and liabilities assumed are provisional and are based on the information that was available as of the pro forma date to estimate the fair value of assets acquired and liabilities assumed. The Company believes this information provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed but the Company is waiting for additional information necessary to finalize those fair value estimates. Thus, the provisional measurements of fair value reflected are subject to change and such changes could be significant. The Company expects to finalize the valuation and complete the purchase price allocation as soon as practicable but no later than one-year from the acquisition date.

1. Cash

The acquisition was funded using available cash from the Company and the issuance of the Company's restricted stock. The total cash portion of the transaction was approximately $28.6 million. Accordingly, an adjustment to lower interest income is appropriate as discussed in note 4.

2. Goodwill, Intangibles, Long-Term Liability and Amortization of Intangibles

In connection with the acquisition of Sitrick Co and Brincko, the Company's management will allocate the purchase price to the fair value of the net assets acquired. In its initial estimate of this allocation, the Company's management estimates the excess of the initial purchase price over the fair value of assets acquired to be approximately $13.9 million. In addition, the Company is required to estimate the amount of the earn-out that may be paid dependent upon the achievement of certain adjusted earnings before interest, income taxes, depreciation and amortization over a period of four years from the date of closing. Based on an assessment of a number of possible earn-out scenarios over the four years, management has estimated the earn-out value to be $57.8 million, net of the amount allocable to Sitrick Brincko Group employees. Related to this estimate, the Company has also recorded a deferred tax asset of approximately $23.7 million, reflecting the Company's estimate of the temporary difference between book and tax treatment of the earn-out at a 41% tax rate. Of the total purchase price, the Company's management estimates that $61.3 million will be allocable to intangible assets with indefinite lives and goodwill. The remaining $10.4 million relates to amortizable intangible assets, consisting of customer relationships, non-compete agreements and trade names that will be amortized on a straight-line basis ranging from thirteen months to five years. Accordingly, pro forma amortization expense is estimated to be approximately $4.0 million for the year ended May 30, 2009 and $990,000 for the three months ended August 29, 2009. Upon completion of the valuation of the fair value of the net assets acquired, actual results may differ materially from those presented herein. The goodwill related to the transaction is expected to be deductible for tax purposes over 15 years. Any contingent consideration payable at the end of the four year earn-out is also expected to be deductible for tax purposes from the date of payment over 15 years.

3. Property and Equipment, net and Depreciation Expense

The Company did not acquire certain artwork, furniture and an aircraft owned by Sitrick Co or automobiles owned by Sitrick Co and Brincko. The pro forma adjustment of $13.1 million reflects the estimate of the net amount of such assets not acquired as of August 29, 2009. The Company has excluded estimated depreciation related to these assets in the pro forma statements of operations of $1.5 million and $374,000 for the year ended May 30, 2009 and the three months ended August 29, 2009, respectively.

4. Notes Payable to Bank and CEO, Other Current Liabilities, Other Long-Term Liabilities and Interest Income, net

The Company did not assume the liabilities related to debt due to the CEO of Sitrick Co or the employee stock ownership plan, airplane or accrued royalties of Sitrick Co or the pension plan of Brincko. The pro forma adjustments to other current liabilities, other long-term liabilities and interest income, net consist of the following (in thousands):

Current Liabilities	Pro Forma Balance Sheet as of August 29, 2009
Eliminate current portion of notes payable to bank related to ESOP and automobiles	$ (715)
Eliminate current portion of notes payable due to Sitrick Co CEO related to aircraft and ESOP	(782)
Total adjustment to notes payable to bank and CEO	$ (1,497)
Eliminate amounts related to royalties to Sitrick Co CEO	$ (2,717)
Eliminate liability for Brincko pension plan	(187)
Eliminate current deferred income taxes	(73)
Total adjustment to other current liabilities	($2,977)

Long-Term Liabilities	Pro Forma Balance Sheet as of August 29, 2009
Estimate of contingent consideration due in four years, net of amount allocable to Sitrick Brincko Group employees	$ 57,820
Elimination of long-term liability for Brincko pension plan	(141)
Total adjustment to other long-term liabilities	$ 57,679
Eliminate notes payable to bank related to ESOP and automobiles	$ (187)
Eliminate long-term portion of notes payable due to Sitrick Co CEO related to aircraft and ESOP	(14,296)
Total adjustments to notes payable to bank and CEO	$ (14,483)

The Company used approximately $28.6 million of its cash to acquire Sitrick Co and Brincko. As a result, assuming an average annual interest rate of 1%, the Company's interest income would be reduced by approximately $286,000 for the year ended May 30, 2009 and $70,500 for the three months ended August 29, 2009.

In addition, the pro forma financial statements reflect that the Company will not assume debt owed to banks and Sitrick Co's CEO as of the date of the transaction. Interest expense of approximately $978,000 and $223,000 has been eliminated for the year ended May 30, 2009 and the three months ended August 29, 2009, respectively.

Interest Income, net (in thousands)	Pro Forma Statement of Operations for the year ended May 30, 2009	Pro Forma Statement of Operations for the three months ended August 29, 2009
Estimate of eliminated interest expense related to debt not assumed in the transaction	$ (978)	$ (223)
Estimate of interest income not earned if transaction occurred on June 1, 2008	286	71
Total adjustment to interest income, net	$ (692)	$ (152)

5. Stockholders' Equity

The various historical balances in the stockholders' equity accounts of Sitrick Co and Brincko will be eliminated at the date of completion of the transaction. In addition, the Company issued 822,060 shares of restricted stock in connection with the transaction from its balance of Treasury Stock shares held. The following pro forma adjustments to the common stock, additional paid-in capital, treasury stock, retained earnings and dividends accounts will occur on an as if basis on August 29, 2009 (in thousands):

Stockholders' Equity	Common Stock	Additional Paid-In Capital	Retained Earnings	Other Comprehensive Gain	Treasury Stock	Total Stockholders' Equity
Issuance of restricted stock of Resources Connection, Inc. from existing treasury shares	$ —	$ (496)	$ (4,486)	$ —	$ 21,119	$ 16,137
Elimination of equity accounts of Sitrick Co and Brincko	(2)	(10)	(3,110)	461	2,224	(437)
Total adjustments	$ (2)	$ (506)	$ (7,596)	$ 461	$ 23,343	$ 15,700

6. Deferred Income Taxes

As a result of the transaction, the following adjustment is required to the combined deferred income tax accounts as of August 29, 2009:

Deferred income taxes (in thousands)	Pro Forma Balance Sheet as of August 29, 2009
Elimination of Sitrick Co deferred tax balances	$ (683)
Establishment of deferred tax asset related to estimated contingent consideration (Note 2)	$ 23,698

For purposes of this unaudited pro forma combined financial information, the United States federal statutory tax rate of 35%, adjusted for the state tax rates net of the federal tax benefit, is estimated to be 41% for Sitrick Co, Brincko and pro forma adjustments portion of the combined information. This tax rate does not reflect the Company's effective tax rate, which includes other tax items such as foreign taxes, other charges or benefits, and does not take into account any historical or possible future tax events that may impact the combined Company.

7. Direct Cost of Services

To conform to the Company's presentation format, these adjustments represent the reclassification to direct cost of services of $6.1 million for the year ended May 30, 2009 and $1.5 million for the three months ended August 29, 2009 for the estimate of certain salary and benefit costs and reimbursable costs related to Sitrick Co employees whose time and reimbursable expenses are charged to clients. In the Sitrick Co statements of income, these amounts were included in compensation and related costs and reimbursable costs (and included as a part of selling, general and administrative expenses in the condensed combined statement of operations) and were not apportioned between direct costs incurred related to revenue and general and administrative costs. Reimbursable costs for Brincko also were included as a part of selling, general and administrative costs, requiring reclassification to direct cost of services.

8. Selling, General and Administrative Expenses

Pro forma adjustments to selling, general and administrative expenses are related to the elimination of certain expenses of the Sitrick Co and Brincko businesses that are contractually excluded from the on-going combined operations of the entities. Such expenses include: costs related to ownership of an airplane and automobiles; costs related to an employee stock ownership plan ("ESOP"); costs related to a pension plan; royalties due to Mr. Sitrick for the nonexclusive and revocable right to use certain of his intangible property, including without limitation, his personal name and reputation. In addition, the Company is contractually required to adjust Mr. Sitrick's annual compensation by $360,000, from a base of $240,000 to $600,000 for the year ended May 30, 2009 and by $90,000 for the three months ended August 29, 2009. As indicated in the footnote related to direct cost of services above, the Company reclassified a total of $6.1 million and $1.5 million for the year ended May 30, 2009 and the three months ended August 29, 2009, respectively, of salary and benefit costs (Sitrick Co employees only) and reimbursable expenses (Brincko and Sitrick Co) from selling, general and administrative expenses to direct cost of services.

The following components comprised the pro forma adjustments to selling, general and administrative expenses (in thousands):

Selling, general and administrative expenses	Pro Forma Year Ended May 30, 2009	Pro Forma Three Months Ended August 29, 2009
Eliminate royalty payment	$ (4,483)	$ (1,133)
Eliminate expenses related to aircraft and automobiles	(772)	(59)
Eliminate expenses related to ESOP and pension plan	(152)	(117)
Adjust salary expense to contracted amount	360	90
Reclassify salaries, related benefits and reimbursable client expenses to direct cost of services	(6,091)	(1,476)
	$ (11,138)	$ (2,695)