Risk Factors Comparison 2024-02-29 to 2023-03-02 Form: 10-K

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Our operations are subject to a number of risks. You should carefully read and consider the following risk factors, together with all other information in this report, in evaluating our business. If any of these risks, or any risks not presently known to us or that we currently believe are not significant, ~~develops~~ - **develop** into an actual event, then our business, financial condition, and results of operations could be adversely affected. If that happens, the market price of our common stock could decline, and you may lose all or part of your investment. Risks Related to Our People We depend upon key employees to generate revenue Our business consists primarily of the delivery of professional services, and, accordingly, our success depends heavily on the efforts, abilities, business generation capabilities, and project execution capabilities of our employee consultants. In particular, our employee consultants' personal relationships with our clients are a critical element in obtaining and maintaining client engagements. If we lose the services of any employee consultant or group of employee consultants, or if our employee consultants fail to generate business or otherwise fail to perform effectively, that loss or failure could adversely affect our revenues and results of operations. Many of our employee consultants have signed **confidentiality agreements and** non-solicitation agreements. We do not have non- competition agreements with a majority of our employee consultants, however, ~~and~~ they can terminate their relationships with us at **any time** ~~will and without notice~~. The ~~non~~ **post** - **employment restrictions** ~~competition and non- solicitation agreements~~ that we have with some of our employee consultants offer us only limited protection and may not be enforceable in every jurisdiction. In the event that an employee leaves, some clients may decide that they prefer to continue working with the employee rather than with us. In the event an employee departs and acts in a way that we believe violates the employee' s **restrictions** ~~non- competition or non- solicitation agreement~~, we will consider any legal remedies we may have against such person on a case- by- case basis. We may decide that preserving cooperation and a professional relationship with the former employee or clients that worked with the employee, or other concerns, outweigh the benefits of any possible legal recovery. Our business could suffer if we are unable to hire and retain additional qualified consultants as employees Our business continually requires us to hire highly qualified, highly educated consultants as employees. Our failure to recruit and retain a significant number of qualified employee consultants could limit our ability to accept or complete engagements and adversely affect our revenues and results of operations. Relatively few potential employees meet our hiring criteria, and we face significant competition for these employees from our direct competitors, academic institutions, government agencies, research firms, investment banking firms, and other enterprises. These competing employers may be able to offer potential employees greater compensation and benefits or more attractive lifestyle choices, career paths, or geographic locations than we can. ~~Competition~~ **We must pay competitive market wages** for these employee consultants ~~has~~ **and** increased **competition for** our **target candidates** ~~labor costs, and a continuation of this trend~~ could adversely affect our margins and results of operations. Maintaining our professional reputation is crucial to our future success Our ability to secure new engagements and hire qualified consultants as employees depends heavily on our overall reputation as well as the individual reputations of our employee consultants and principal non- employee experts. Because we obtain a majority of our revenues from new engagements with existing clients, any client that is dissatisfied with our performance on a single matter could seriously impair our ability to secure new engagements. Given the frequently high- profile nature of the matters on which we work ~~, including work before and on behalf of government agencies~~, any factor that diminishes our reputation or the reputations of any of our employee consultants or non- employee experts could make it substantially more difficult for us to compete successfully for both new engagements and qualified consultants. We depend on our non- employee experts We depend on our relationships with our non- employee experts. We believe that these experts are highly regarded in their fields and that each offers a combination of knowledge, experience, and expertise that would be very difficult to replace. We also believe that we have been able to secure some engagements and attract some consultants in part because we can offer the services of these experts. Most of these experts can limit their relationships with us at any time for any reason. These reasons could include affiliations with universities with policies that prohibit accepting specified engagements, termination of exclusive relationships, the pursuit of other interests, and retirement. In many cases we seek to include restrictive covenants in our agreements with our non- employee experts, which could include non- competition agreements ~~,~~ **and / or** non- solicitation ~~agreements and non- hire~~ agreements. The limitation or termination of any of their relationships with us, or competition from any of them after these agreements expire, could harm our reputation, reduce our business opportunities and adversely affect our revenues and results of operations. The restrictive covenants that we may have with some of our non- employee experts offer us only limited protection and may not be enforceable in every jurisdiction. In the event that non- employee experts leave, clients working with these non-employee experts may decide that they prefer to continue working with them rather than with us. In the event a non- employee expert departs and acts in a way that we believe violates the expert' s restrictive covenants we will consider any legal and equitable remedies we may have against such person on a case- by- case basis. We may decide that preserving cooperation and a professional relationship with the former non- employee expert or clients that worked with the non- employee expert, or other concerns, outweigh the benefits of any possible legal action or recovery. To meet our long- term growth targets, we need to establish ongoing relationships with additional non- employee experts who have reputations as leading experts in their fields. We may be unable to establish relationships with any additional non- employee experts. In addition, any relationship that we do establish may not help us meet our objectives or generate the revenues or earnings that we anticipate. Additional hiring and business acquisitions could disrupt our operations, increase our costs, or adversely affect our results Our business strategy is dependent, in part, upon our ability to grow by hiring consultant employees or groups of consultant employees, and we regularly evaluate opportunities to acquire other businesses. We may not, however, be able to identify, hire, acquire, or successfully integrate new employees and acquired businesses without substantial expense, delay, or other operational or financial obstacles. ~~From time to time, we will evaluate the total mix of our services and we may conclude that acquired businesses may not achieve the results we previously expected.~~ Competition for future hiring and acquisition opportunities in our markets could increase the compensation we offer to potential employees or the prices we pay for businesses we wish to acquire. In addition, we may be unable to achieve the financial, operational, and other benefits we anticipate from any hiring or acquisition, including those we have completed. New acquisitions could also negatively impact existing practices. Hiring additional employees or acquiring businesses could also involve a number of additional risks, including: • the diversion of management' s time, attention, and resources from managing and marketing our existing business; • the failure to retain key acquired personnel or retain existing personnel who may view the acquisition unfavorably; • additional conflicts of interest due to the acquired businesses that could impact our ability to secure new engagements; • the need to compensate new employees while they wait for their restrictive covenants with other institutions to expire; • the potential need to raise significant amounts of capital to finance a transaction or the potential issuance of equity securities that could be dilutive to our existing stockholders; • increased costs to improve or coordinate managerial, operational, financial, and administrative systems, including compliance with the Sarbanes- Oxley Act of 2002; • the potential assumption of legal liabilities; • the inability to attain the expected synergies with an acquired business; • the impact of earn- outs based on the future performance of our acquired businesses that may deter the acquired company from fully integrating into our existing business; and • potential difficulties in integrating new employees ~~with diverse backgrounds and experiences with~~ **whose service offerings, expertise, or staffing requirements may vary from** our existing employee consultants. Our acquisitions have been accounted for as purchases, some of which involved purchase prices in excess of tangible asset values, resulting in the creation of goodwill and other intangible assets. Under generally accepted accounting principles, we do not amortize goodwill or intangible assets acquired in a business combination that are determined to have indefinite useful lives, but instead review them annually (or more frequently if impairment indicators arise) for impairment. To the extent that we determine that such an asset has been impaired, we will write down its carrying value on our consolidated balance sheet and book a non- cash impairment charge in our consolidated statement of operations. If, as a result of acquisitions or otherwise, the amount of intangible assets being amortized increases, so will our amortization charges in future periods. Risks Related to Our Client Relationships Clients can terminate engagements with us at any time Many of our engagements depend upon disputes, proceedings, or transactions that involve our clients. Our clients may decide at any time to seek to resolve the dispute or proceeding, abandon the transaction, or file for bankruptcy. Our engagements can therefore terminate suddenly and without advance notice to us. If an engagement is terminated unexpectedly, our employee consultants working on the engagement could be underutilized until we assign them to other projects. In addition, because much of our work is project-based rather than recurring in nature, our consultants' utilization depends on our ability to secure additional engagements on a continual basis. Accordingly, the termination or significant reduction in the scope of a single large engagement could reduce our utilization and have an immediate adverse impact on our revenues and results of operations. Information ~~or~~ **,** technology systems **or service** failures, or a cybersecurity attack or other compromise of our or our client' s confidential or proprietary information, could have a material adverse effect on our reputation, business and results of operations We rely upon our information and technology infrastructure and systems to operate, manage and run our business and to provide services to our clients. This includes infrastructure and systems for receiving, storing, hosting, analyzing, transmitting and securing our and our clients' sensitive, confidential or proprietary information, including, but not limited to, health and other personally- identifiable information and commercial, financial and consumer data. Our ability to secure and maintain the confidentiality and integrity of this information is critical to our reputation and the success of our businesses. We must comply with ~~the~~ **applicable U. S. and foreign** privacy laws **and regulations** ~~of all of the jurisdictions in which we operate~~ , including the strict ~~general~~ **General** ~~data~~ **Data** ~~privacy~~ **Privacy** ~~regulation~~ **Regulation** (**"** GDPR **"**) in the European Union, laws that adopt the GDPR as a model (such as Brazil' s ~~comprehensive data~~ **General Law for the** ~~protection~~ **Protection of Privacy** ~~law, the LGPD~~), and ~~the~~ U. S. state and federal laws such as the California Consumer Protection Act ~~(CCPA)~~ , and these laws are becoming increasingly complex and vary by jurisdiction. The costs of complying with these laws and any fines resulting from lack of compliance, and the other costs of protecting our and our clients' confidential information, could have a material effect on our financial results. In addition, ~~we~~ **our information and technology systems** may be affected by or subject to events that are out of our control, including, but not limited to, cybersecurity or other malicious attacks, which continue to evolve and pose a constant risk, unauthorized system intrusions by unknown third parties, viruses, malicious software, worms, failures in our or our third party hosting sites' (whether hosted offsite or in the cloud) information and technology systems, disruptions in the Internet or electricity grids, natural disasters, and terrorism. Any of these events could disrupt our or our client' s business operations or cause us or our clients to incur unanticipated losses, including the costs of investigating and remediating any such event and any fines related thereto, as well as reputational damage, any of which could have a material adverse effect on our business and results of operations. In addition, our or our clients' sensitive, confidential or proprietary information could be compromised or corrupted, whether intentionally or unintentionally, by our employees, outside consultants, vendors, or rogue third- party" hackers" or enterprises. A breach or compromise of the security of our information technology systems or infrastructure, or our processes for securing sensitive, confidential or proprietary information, whether due to a cybersecurity attack or otherwise, could result in the loss or misuse of this information. Any such loss or misuse could result in our suffering claims, fines, damages, losses or reputational damage, any of which could have a material adverse effect on our business and results of operations. Potential conflicts of interests may preclude us from accepting some engagements We provide our services primarily in connection with significant or complex transactions, disputes, or other matters that are usually adversarial or that involve sensitive client information. Our engagement by a client may preclude us from accepting engagements with the client' s competitors or adversaries because of conflicts between their business interests or positions on disputed issues or other reasons. Accordingly, the nature of our business limits the number of both potential clients and potential engagements. Moreover, in many industries in which we provide consulting services there has been a continuing trend toward business consolidations and strategic alliances. These consolidations and alliances reduce the number of potential clients for our services and increase the chances that we will be unable to continue some of our ongoing engagements or accept new engagements as a result of conflicts of interests. We derive revenue from a limited number of large engagements We derive a portion of our revenues from a limited number of large engagements. If we do not obtain a significant number of new large engagements each year, our business, financial condition, and results of operations could suffer. In general, the volume of work we perform for any particular client varies from year to year, and due to the specific engagement nature of our practice, a major client in one year may not hire us in the following year. Our clients may be unable or unwilling to pay us for our services Our clients include some companies that may from time to time encounter financial difficulties, particularly during a downward trend in the economy, or may dispute the services we provide. If a client' s financial difficulties become severe or a dispute arises, the client may be unwilling or unable to pay our invoices in the ordinary course of business, which could adversely affect collections of both our accounts receivable and unbilled services. On occasion, some of our clients have entered bankruptcy, which has prevented us from collecting amounts owed to us. The bankruptcy of a client with a substantial accounts receivable could have a material adverse effect on our financial condition and results of operations. Clients who have paid sizable invoices may later declare bankruptcy, and a court may determine that we are not properly entitled to any of those payments consequently requiring a repayment by us of some or all of them, which could adversely affect our financial condition and results of operations. Additionally, from time to time, we may derive a significant amount of revenue from contracts with government agencies in the United States. Because of this, changes in federal government budgetary priorities could directly affect our financial performance. This could result in the cancellation of contracts and / or the incurrence of substantial costs without reimbursement under our contracts with the federal government, which could have a negative effect on our business, financial condition, results of operations and cash flows. Risks Related to Our Operations Changes in global economic, business, health and political conditions could have a material adverse impact on our revenues, results of operations, and financial condition Overall global economic, business, health and political conditions, as well as conditions specific to the industries we or our clients serve, can affect our clients' businesses and financial condition, their demand or ability to pay for our services, and the market for our services. These conditions, all of which are outside of our control, include but are not limited to merger and acquisition activity levels, the availability, cost and terms of credit, the state of the United States and global financial markets, including the impact of rising inflation rates, the levels of litigation and regulatory and administrative investigations and proceedings, global health crises and pandemics, political developments, ~~including the June 2016 referendum where voters in the United Kingdom (" U. K.") approved an exit from the European Union (" E. U."), commonly referred to as" Brexit,"~~ geopolitical unrest or other conflicts in foreign nations, natural disasters and the potential impact such developments, uncertainties or further unrest could have on our clients, on the markets in which we operate and on general economic and business conditions. In addition, many of our clients are in highly regulated industries, and regulatory and legislative changes affecting these industries could impact the market for our service offerings, render our current service offerings obsolete, or increase the competition among providers of these services. Although we are not able to predict the positive or negative effects that general changes in global economic, business and political conditions will have on our individual practice areas or our business as a whole, any specific changes in these conditions could have a material adverse impact on our revenues, results of operations and financial condition ~~. Brexit created political, economic, and regulatory uncertainty in the U. K., where our European operations are headquartered. The impact of Brexit, including the U. K.' s relationship with the E. U. and other countries, including the U. S., remains unclear. The U. K. formally left the E. U. on January 31, 2020. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in political institutions and regulatory agencies. This uncertainty may result in new regulatory, tax, operations, and cost challenges to our U. K., European and global operations. Currency fluctuations caused by or relating to Brexit could adversely affect our financial position. Such uncertainties may significantly impact our business, as customers of our U. K.- based operations evaluate their business needs in consideration of changing economic conditions or increased international regulatory complexities. There can be no assurance that any or all of these events, or others that we cannot anticipate at this time, will not have a material adverse effect on our business, financial condition and results of operations. Our business and operations may in the future be, adversely affected by epidemics or pandemics such as the COVID- 19 pandemic outbreak We may face risks related to health epidemics and pandemics or other outbreaks of communicable diseases. For example, in March 2020, the World Health Organization declared the COVID- 19 outbreak a pandemic. In response, many governments have implemented, and continue to implement," shelter- in- place" restrictions, travel restrictions, and other measures to reduce the spread of COVID- 19. Many businesses, including those of our clients, have responded with their own work- from- home policies and procedures. Although our offices remain open and capable of hosting our colleagues, we have invited them to work wherever they feel most comfortable. A public health epidemic or pandemic, such as the COVID- 19 pandemic, poses the risk that our employees, our non - employee experts, governmental agencies, courts, clients, and parties otherwise engaged in the delivery of our services may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities, or that such epidemic may otherwise interrupt or impair business activities. The COVID- 19 pandemic continues to cause disruption to the global economy, including in the regions in which we and our clients do business. We continue to monitor the pandemic, and while periodic local increases and decreases in COVID- 19 cases are likely, generally the restrictions due to and in response to the pandemic continue to be relaxed in most locations. However, the COVID- 19 pandemic and efforts to manage it, including those by governmental authorities, have had, and could continue to have, an adverse effect on the economy and may have an adverse impact on our business. This includes, for example, the delay or disruption of the timing of projects due to the length and severity of any restrictions or limitations implemented in the future and the risk that COVID- 19 poses our employees, our non-~~

~~employee experts, governmental agencies, courts, clients, and parties otherwise engaged in the delivery of our services which may prevent them from conducting business activities in the ordinary course for an indefinite period. Extended shutdowns or other restrictions could also adversely limit our business operations or increase costs. Although economic conditions have generally improved since the height of the COVID- 19 pandemic, the strength of the economic recovery is uncertain and may vary across industries, clients and from country to country. The ultimate extent and robustness of any economic recovery from the impact of the pandemic imposes a significant degree of uncertainty and complexity, and may adversely affect our operations and client demand for our services. Adverse or weakening economic conditions either as a direct or indirect result of the COVID- 19 pandemic, may also result in deterioration in the collection of customer accounts receivable, as well as a reduction in sales~~ . Our results of operations and consequently our business may be adversely affected if we are not able to maintain our current bill rates, compensation costs and / or utilization rate Our revenues and profitability are largely based on the bill rates charged to our clients, compensation costs and the utilization of our consultants. We calculate utilization by dividing the total hours worked by our employee consultants on engagements during the measurement period by the total number of hours that our employee consultants were available to work during that period. If we are not able to maintain adequate bill rates for our services, maintain compensation costs or obtain appropriate utilization rates from our consultants, our results of operations may be adversely impacted. Bill rates, compensation costs and consultant utilization rates are affected by a number of factors, including: • Our clients' perceptions of our ability to add value through our services; • The market demand for our services; • Our competitors' pricing of services and compensation levels; • The market rate for consultant compensation; • Our ability to redeploy consultants from completed client engagements to new client engagements; and • Our ability to predict future demand for our services and maintain the appropriate staffing levels without significantly underutilizing consultants. The interpretation and application of ~~U. S.~~ tax ~~legislations~~ - **legislation** or other changes in ~~U. S.~~ taxation of our operations could harm our business, revenue, cash flows and financial results **We are subject to income and other taxes in the U. S. at the state and federal level and also in foreign jurisdictions. Changes in applicable U. S. state, federal or foreign tax laws and regulations, or their interpretation and application, could materially affect our tax expense and profitability. Future changes in tax laws, treaties or regulations, and their interpretation or enforcement, may be unpredictable, particularly as taxing jurisdictions face an increasing number of political, budgetary and other fiscal challenges.** Tax ~~reform remains~~ **rates in the jurisdictions in which we operate may change as** a ~~legislative priority~~ **result of macroeconomic and other factors outside of our control, making it increasingly difficult** for ~~the U. S. government and~~ **multinational corporations like ourselves to operate with** ~~certain~~ **certainty** ~~legislations~~ **about taxation in many jurisdictions. As a result, we could be materially adversely affected by future changes in tax law or policy (or in their interpretation or enforcement) in the jurisdictions where we operate, including the United States, which could** have **a material adverse effect on** ~~already been enacted. Further regulatory or~~ **our** ~~legislative developments may arise from the proposed U. S. tax reform under the Biden Administration' s " Build Back Better Act " which is proposing a new corporate alternative minimum tax and increased taxation of international~~ business **, cash flow, results of** operations ~~. While there is current uncertainty regarding what changes will eventually be enacted~~ , ~~such new laws may affect our operating results and~~ financial ~~conditions~~ - **condition** ~~. On August 16, 2022, the U. S. government enacted the Inflation Reduction Act of 2022 that includes, among other provisions, changes to the U. S. corporate income tax system, including a fifteen percent minimum tax based on" adjusted financial statement income, " and a one percent excise tax on net repurchases of stock after December 31, 2022. The Company is continuing to evaluate the Inflation Reduction Act and its requirements~~ , as well as **our effective income tax rate. Increasing scrutiny and changing expectations from governmental organizations, investors, clients and our colleagues with respect to our ESG- related practices and** ~~the~~ **those** ~~application~~ **of our clients may impose additional costs on us or expose us** to **new or additional risks There** ~~its~~ - **is** ~~business. What~~ **increased regulation and focus, including under the European Union' s Corporate Sustainability Reporting Directive and from other governmental organizations, and our investors, clients and employees, on ESG issues such as environmental stewardship, climate** ~~changes~~ - **change, diversity and inclusion, racial justice and workplace culture conduct. We continue to evaluate existing, new and proposed governmental requirements, and to monitor, report and assess policies and practices that we believe will align with our client, investor and other third- party imposed ESG- related standards and expectations. For example, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters, and unfavorable ratings of the Company may lead to negative investor sentiment, stock price fluctuations and the diversion of investment to other companies. If our ESG practices do not meet evolving rules and regulations or investor or other stakeholder expectations and standards (or** if ~~any to~~ **we are viewed in a negative light based on positions we do or do not take or work we do or do not perform for certain clients or industries),** ~~the~~ **then** ~~U. S. or~~ **our reputation, our ability to attract or retain employee consultants and** non- **employee experts** ~~U. S. taxation of our operations may increase our worldwide effective tax rate~~ , **and** ~~result in additional taxes or~~ **our** ~~other costs~~ **ability to attract new engagements and clients could be negatively impacted, as could** ~~or~~ **our attractiveness as an investment, service provider, business partner or acquirer. Similarly, our failure or perceived failure to pursue or fulfill our current or future goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could also** have **similar negative impacts** ~~other material consequences, which could harm our business, revenue, cash flows and financial results~~ . Our revenues, operating results and cash flows are likely to fluctuate We experience fluctuations in our revenues, operating results and cash flows and expect that they will continue to occur in the future due to factors that are either within or outside of our control, including, but not limited to, the timing and duration of our client engagements, utilization of our employee consultants, the types of engagements we are working on at different times, the geographic locations of our clients or where the services are rendered, the length of billing and collection cycles, hiring, business and capital expenditures, share repurchases, dividends, debt repayments, and other general economic factors. We may also experience future fluctuations in our cash flows from operations because of increases in employee compensation, including changes to our incentive compensation structure and the timing of incentive payments, which we generally pay during the first quarter of each year, or hiring or retention payments or bonuses which are paid throughout the year. Also, the timing of future acquisitions and other investments and the cost of integrating them may cause fluctuations in our operating results and related cash flows. Fluctuations in our quarterly revenues and results of operations could depress the market price of our common stock We may experience significant fluctuations in our revenues and results of operations from one quarter to the next. If our revenues or net income in a quarter fall or fall below the expectations of securities analysts or investors, the market price of our common stock could fall significantly. Our results of operations in any quarter can fluctuate for many reasons, including: • our ability to implement billing rate increases or maintain billing rates; • the number, scope, and timing of ongoing client engagements; • the extent to which we can reassign our employee consultants efficiently from one engagement to the next; • the extent to which our employee consultants or clients take holiday, vacation, and sick time, including traditional seasonality related to summer vacation and holiday schedules; • employee hiring and attrition; • the extent of revenue realization or cost overruns; • fluctuations in our provision for income taxes due to changes in income arising in various tax jurisdictions, statutory tax rates, valuation allowances, non-deductible expenses, and changes in estimates of our uncertain tax positions; • fluctuations in interest rates; • inflation, an economic slowdown, stagflation and / or recessions; • currency fluctuations; and • collectability of receivables and unbilled work in process. Because we generate most of our revenues from consulting services that we provide on an hourly fee basis, our revenues in any period are directly related to the number of our employee consultants, their billing rates, and the number of billable hours they work in that period. We have a limited ability to increase any of these factors in the short term. Accordingly, if we underutilize our consultants during one part of a fiscal period, we may be unable to compensate by augmenting revenues during another part of that period. In addition, we are occasionally unable to utilize fully any additional consultants that we hire, particularly in the quarter in which we hire them. Moreover, a significant majority of our operating expenses, primarily office rent and salaries, are fixed in the short term. As a result, any failure of our revenues to meet our projections in any quarter could have a disproportionate adverse effect on our net income. For these reasons, we believe our historical results of operations are not necessarily indicative of our future performance. Changes in financial accounting standards or practices may cause unexpected financial reporting fluctuations and affect our reported results of operations We are required to prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States of America, which may change periodically. From time to time, we are required to adopt new or revised accounting standards issued by recognized authoritative bodies, including the Financial Accounting Standards Board and the Securities and Exchange Commission. A change in accounting standards or practices may adversely affect our reported financial results or the way we conduct our business. It may also require changes to the current accounting treatment of certain transactions and the way they are reported in our financial statements. Additionally, such a change in accounting standards or practices may require us to enhance our internal accounting systems and processes, as well as our internal control over financial reporting. Our failure to execute our business strategy or manage future growth successfully could adversely affect our revenues and results of operations Any failure on our part to execute our business strategy or manage future growth successfully could adversely affect our revenues and results of operations. In the future, we could open offices in new geographic areas, including foreign locations, and expand our employee base as a result of internal growth and acquisitions. Opening and managing new offices often requires extensive management supervision and increases our overall selling, general and administrative expenses. Expansion creates new and increased management, consulting, and training responsibilities for our employee consultants, and expansion may require additional regulatory compliance. Expansion also increases the demands on our internal systems, procedures, and controls, and on our managerial, administrative, financial, marketing, and other resources. We depend heavily upon the managerial, operational, and administrative skills of our executive officers to manage our expansion and business strategy. New responsibilities and demands may adversely affect the overall quality of our work. Our engagements may result in professional liability and we may be subject to other litigation, claims or assessments Our services typically involve difficult analytical assignments and carry risks of professional and other liability. Many of our engagements involve matters that could have a severe impact on a client' s business, and cause the client to lose significant amounts of money, or prevent the client from pursuing desirable business opportunities. Accordingly, if a client is dissatisfied with our performance, the client could threaten or bring litigation in order to recover damages or to contest its obligation to pay our fees. Litigation alleging that we performed negligently, disclosed client confidential information, or otherwise breached our obligations to the client could expose us to significant liabilities to our clients and other third parties and tarnish our reputation. Despite our efforts to prevent litigation, from time to time we are party to various lawsuits, claims, or assessments in the ordinary course of business. Disputes may arise, for example, from business acquisitions, employment issues, regulatory actions, and other business transactions. The costs and outcome of any lawsuits or claims could have a material adverse effect on our business and results of operations. We may need to take material write- offs for the impairment of goodwill ~~and other intangible assets~~ , including if our market capitalization declines As further described in our Notes to Consolidated Financial Statements, goodwill is monitored annually for impairment, or more frequently, if events or circumstances exist that would more likely than not reduce the fair value of a reporting unit below its carrying amount. In performing the goodwill impairment testing and measurement process, we compare the estimated fair value of our reporting unit to its net book value to identify potential impairment. We estimate the fair value of our consulting business utilizing our market capitalization, plus an appropriate control premium. Market capitalization is determined by multiplying the shares outstanding on the test date by the market price of our common stock on that date. We determine the control premium utilizing data from publicly available premium studies for the trailing four quarters for public company transactions in our industry group. If the estimated fair value of a reporting unit is less than its net book value, an impairment charge would be recorded in our consolidated statement of operations. A goodwill impairment charge in any period would have the effect of decreasing our earnings in such period. If we are required to take a substantial impairment charge, our reported operating results would be materially adversely affected in such period, though such a charge would have no impact on cash flows or working capital for such period . The market price of our common...... resources, or otherwise harm our business . Our performance could be affected if employees and non- employee experts default on loans We utilize forgivable loans with some of our employees and non- employee experts, other than our executive officers, as a way to attract and retain them. A portion of these loans is collateralized. Defaults under these loans could have a material adverse effect on our consolidated statements of operations, financial condition and liquidity. Fluctuations in the types of service contracts we enter into may adversely impact revenue and results of operations We derive a portion of our revenues from fixed- price contracts. These contracts are more common in our management consulting area, and would likely grow in number with expansion of that area. Fluctuations in the mix between time- and- material contracts, fixed- price contracts and arrangements with fees tied to performance- based criteria may result in fluctuations of revenue and results of operations. In addition, if we fail to accurately estimate third- party vendor expenses and the resources required for a fixed- price project or fail to satisfy our contractual obligations in a manner consistent with the project budget, we might generate a smaller profit or incur a loss on the project. ~~On occasion, we have had to commit unanticipated additional resources to complete projects, and we may have to take similar action in the future, which could adversely affect our revenues and results of operations.~~ Revenue generated from fixed- price contracts was approximately ~~19~~ **18** % of our total revenues for the year ended December ~~31~~ **30** , ~~2022~~ **2023** ~~.~~ We could incur substantial costs protecting our proprietary rights from infringement or defending against a claim of infringement As a professional services organization,we may rely on ~~post~~ **non** - ~~employment restrictions~~ **competition and non- solicitation agreements** with some of our employees and non- employee experts to protect our proprietary rights.These agreements,however,may offer us only limited protection and may not be enforceable in every jurisdiction.In addition,we may incur substantial costs trying to enforce these agreements.Our services may involve the development of custom business processes or solutions for specific clients.In some cases,the clients retain ownership or impose restrictions on our ability to use the business processes or solutions developed from these projects.Issues relating to the ownership of business processes or solutions can be complicated,and disputes could arise that affect our ability to resell or reuse business processes or solutions we develop for clients.In recent years,there has been significant litigation in the U.S.involving patents and other intellectual property rights.We could incur substantial costs in prosecuting or defending any intellectual property litigation,which could adversely affect our operating results and financial condition.Despite our efforts to protect our proprietary rights,unauthorized parties may attempt to obtain and use information that we regard as proprietary.Litigation may be necessary in the future to enforce our proprietary rights,to protect our trade secrets,to determine the validity and scope of the proprietary rights of others,or to defend against claims of infringement or invalidity.Any such resulting litigation could result in substantial costs and diversion of resources and could adversely affect our business,operating results and financial condition.Any failure by us to protect our proprietary rights,or any court determination that we have either infringed or lost ownership of proprietary rights,could adversely affect our business,operating results and financial condition.Insurance and claims expenses could significantly reduce our profitability We are exposed to claims related to group health insurance.We self- insure a portion of the risk associated with these claims.If the number or severity of claims increases,or we are required to accrue or pay additional amounts because the claims prove to be more severe than our original assessment,our operating results would be adversely affected.Our future insurance and claims expense might exceed historical levels,which could reduce our earnings.We expect to periodically assess our self- insurance strategy.We are required to periodically evaluate and adjust our claims reserves to reflect our experience.However,ultimate results may differ from our estimates,which could result in losses over our reserved amounts.We maintain individual and aggregate medical plan stop loss insurance with a licensed insurance carrier to limit our ultimate risk exposure for any one case and for our total liability.Many businesses are experiencing the impact of increased medical costs as well as greater variability in ongoing costs.As a result,our insurance and claims expense could increase,or we could raise our self- insured retention,when our policies are renewed.If these expenses increase or we experience a claim for which coverage is not provided,results of our operations and financial condition could be materially and adversely affected. ~~Risks Related to~~ . There can be no assurance that we will continue to declare cash dividends at all or in any particular amounts Our Board of Directors declared the first quarterly dividend on our common stock during 2016 and we have continued to pay quarterly dividends throughout fiscal ~~2022~~ **2023** . Although we anticipate paying regular quarterly dividends on our common stock for the foreseeable future, the declaration of dividends is subject to the discretion of our Board of Directors, and is restricted by applicable state law limitations on distributions to shareholders. As a result, the amount, if any, of the dividends to be paid by us in the future depends upon a number of factors, including but not limited to our available cash on hand, anticipated cash needs, overall financial condition, and future prospects for earnings and cash flows, as well as other factors considered relevant by our Board of Directors. In addition, our Board of Directors may also suspend the payment of dividends at any time. Any reduction or suspension in our dividend payments could adversely affect the price of our common stock. Our stock repurchase programs could affect the market price of our common stock and increase its volatility Our Board of Directors has from time to time authorized repurchase programs of our outstanding common stock. Under these stock repurchase programs, we are authorized to repurchase, from time- to- time, shares of our outstanding common stock on the open market or in privately negotiated transactions. The timing and amount of stock repurchases are determined based upon our evaluation of market conditions and other factors. Any stock repurchase program may be suspended, modified or discontinued at any time, and we have no obligation to repurchase any amount of our common stock under any program. Repurchases pursuant to our stock repurchase programs could affect the market price of our common stock and increase its volatility. Any termination of our stock repurchase programs could cause a decrease in the market price of our common stock, and the existence of a stock repurchase program could cause our stock price to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity and trading volumes of our common stock. There can be no assurance that any stock repurchases under these programs will enhance stockholder value because the market price of our common stock may decline below the levels at which those repurchases were made. Although our stock repurchase programs are intended to enhance long- term stockholder value, short- term fluctuations in the market price of our common stock could reduce the programs' effectiveness. We could incur substantial costs protecting our...... could be materially and adversely affected. Our charter and by- laws, and Massachusetts law may deter takeovers Our articles of organization and by- laws and Massachusetts law contain provisions that could have anti- takeover effects and that could discourage, delay, or prevent a change in control or an acquisition that our shareholders may find attractive. These provisions may also discourage proxy contests and make it more difficult for our shareholders to take some corporate actions, including the election of directors. These provisions could limit the price that investors might be willing to pay for shares of our common stock. ~~Risks Related to Competition Competition from other litigation, regulatory, financial, and management consulting firms could hurt our business The market for litigation, regulatory, financial, and management consulting services is intensely competitive, highly fragmented, and subject to rapid change. We may be unable to compete successfully with our existing competitors or with any new competitors. In general, there are few barriers to entry into our markets, and we expect to face additional competition from new entrants into the economic and management consulting industries. In the litigation, regulatory, and financial consulting markets, we compete primarily with other economic and financial consulting firms and individual academics. In the management consulting market, we compete primarily with other business and management consulting firms, specialized or industry- specific consulting firms, the consulting practices of large accounting firms, and the internal professional resources of existing and potential clients. Many of our competitors have national or international reputations, as well as significantly greater personnel, financial, managerial, technical, and marketing resources than we do, which could enhance their ability to respond more quickly to technological changes, finance acquisitions, and fund internal growth. Some of our competitors also have a significantly broader geographic presence and significantly more resources than we do. Risks Related to Our International Operations Our international operations create risks Our international operations carry financial and business risks, including: • currency fluctuations that could adversely affect our financial position and operating results; • adverse social, political and economic conditions, such as inflation, rising interest rates and risk of global or regional recession; • unexpected changes in trading policies, regulatory requirements, tariffs, and other barriers; • continued uncertainty around how Brexit will impact the U. K. generally, including its impact on the regulatory environment, currency, tax, and operations that could disrupt trade, the sale of our services, the movement of our people between the U. K., E. U., and other locations, and the global economy; • restrictions on the repatriation of earnings; • potentially adverse tax consequences, such as changes in tax laws and statutory tax rates; • the impact of differences in the governmental, legal and regulatory environment in foreign jurisdictions, as well as U. S. laws and regulations related to our foreign operations; • political developments, geopolitical unrest or other conflicts or natural disasters in foreign nations; and • civil disturbances or other catastrophic events that reduce business activity. If our international revenues increase relative to our total revenues, these factors could have a more pronounced effect on our operating results. Fluctuations in currency exchange rates could adversely affect our operations We conduct our business in the Americas, Europe, and Australia, and the global scope of our business exposes us to risk of fluctuations in foreign currency markets. Specifically, our results of operations are subject to fluctuations primarily in the British Pound and Euro against the U. S. Dollar as well as the Euro against the British Pound. The fluctuation in foreign currency markets can both increase and decrease our overall revenue and expenses for any fiscal period, and therefore has a resulting negative impact on our reported results of operations and on our ability to predict our future results and earnings accurately. Additionally, global economic events, including Brexit, have caused and may continue to cause significant volatility in currency exchange rate fluctuations. The impact of Brexit on currency exchange rates and the significance of the resulting fluctuations in the exchange rate of the British Pound may not be fully realized for several years or more. Revenue generated from our U. K.- based operations was approximately 15 % (which includes currency exchange effects) of our total revenues for the year ended December 31, 2022. We currently do not hedge our exposure to current foreign currency exchange risks by engaging in foreign exchange hedging transactions, though we may do so in the future. Risks Related to Our Indebtedness Our debt obligations may adversely impact our financial performance We rely on our cash and cash equivalents, cash flows from operations and borrowings under our credit agreement to fund our short- term and anticipated long- term operating activities. We currently have a revolving credit facility with our bank for up to $ 250. 0 million, which may be decreased at CRA' s option to $ 200. 0 million during the period from July 16th in a year through January 15th in the next year. Additionally, for the period from January 16th to July 15th of each calendar year, CRA may elect to not increase the revolving credit facility to $ 250. 0 million. The amounts available under this revolving credit facility are constrained by various financial covenants and reduced by certain letters of credit outstanding. At February 24, 2023, we had no borrowings outstanding under the credit agreement and approximately $ 195. 6 million available for future borrowings, after consideration of outstanding letters of credit. Our loan agreement with the bank will mature on August 19, 2027. The degree to which we are leveraged could adversely affect our ability to obtain further financing for working capital, acquisitions or other purposes and could make us more vulnerable to industry downturns and competitive pressures. Our ability to secure short- term and long- term debt or equity financing in the future will also depend on several factors, including our future profitability, the levels of our debt and equity, restrictions under our existing or any future revolving credit facility, and the overall credit and equity market environments.~~