
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): June 14, 2006

FAIR ISAAC CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

0-16439

(Commission
File Number)

94-1499887

(IRS Employer
Identification No.)

**901 Marquette Avenue, Suite 3200
Minneapolis, Minnesota**

(Address of principal executive offices)

55402-3232

(Zip Code)

Registrant's telephone number, including area code 612-758-5200

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 (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.05. Costs Associated with Exit or Disposal Activities.

On June 15, 2006, Fair Isaac Corporation (the “Company”) announced the details of a restructuring plan that was committed to by the Company’s management on June 14, 2006. Key components include a shift from a product-centric to a client-centric go-to-market model, closer integration of sales and consulting functions, a market-driven innovation philosophy and expanded leverage of global product development resources.

As part of the restructuring, the Company has identified and is eliminating approximately 200 now redundant positions in product management, delivery and development functions. The headcount reduction is anticipated to result in severance and related costs of \$5.7 million. All of the severance and related costs will result in future cash expenditures. The Company expects that the majority of the severance and related costs will be paid out to affected employees during the third and fourth quarters of fiscal year 2006, with the remainder to be paid out by the end of the first quarter of fiscal year 2007.

Item 7.01. Regulation FD Disclosure.

On June 15, 2006, the Company issued a press release announcing the reorganization described above. The full text of that press release is furnished herewith as Exhibit 99 and incorporated by reference into this Item 7.01.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibit.

99 Press Release dated June 15, 2006

SIGNATURE

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

FAIR ISAAC CORPORATION

By /s/ Andrea M. Fike

Andrea M. Fike

Vice President and General Counsel

Date: June 15, 2006

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>	<u>Method of Filing</u>
99	Press Release dated June 15, 2006.	Filed Electronically



Contact: Investors & Analysts:
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Customer Centricity Drives Reorganization at Fair Isaac

Plan designed to accelerate adoption of EDM technology and business growth across industries. Reorganization will yield annual savings of \$24 million and one-time third quarter charges of \$5.7 million.

MINNEAPOLIS — June 16, 2006 — Fair Isaac Corporation (NYSE: FIC), the leading provider of analytics and decision management technology, today announced details of a restructuring plan designed to accelerate growth. The restructuring initiative, initially outlined on the company's second-quarter 2006 earnings call, is focused on enabling accelerated growth in both core and new markets, with both established and new clients. Key components include a shift from a product-centric to a client-centric go-to-market model, closer integration of sales and consulting functions, a market-driven innovation philosophy and expanded leverage of global product development resources.

As part of the restructuring, Fair Isaac has identified and is eliminating approximately 200 now redundant positions in product management, delivery and development functions. These actions are forecasted to yield annualized pre-tax savings of \$24 million, with one-time severance and related costs of \$5.7 million.

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“Achieving our EDM vision requires a client-focused, relationship-based approach that creates clear, differentiated value for our clients and industries,” said Tom Grudnowski, CEO of Fair Isaac. “We believe this initiative will stimulate faster growth and enhance profitability through smarter resource alignment, more market-focused innovation and ultimately, stronger client service delivery.”

Specific organizational changes include:

- Establishment of Integrated Client Networks (ICNs), groupings or segment of clients with similar needs, such as those in a common industry, business profile or geography. While the financial services industry has been divided into multiple ICNs, others focus exclusively on a single industry (for example, telecommunications) or geography.
- Within ICNs, the creation of consulting-focused client partner roles. Client partners will be responsible for linking the unique decision needs of each client to Fair Isaac’s core EDM applications and capabilities in analytics, data management and software development.
- Adoption of a new Chief Marketing Officer role designed to oversee the company’s go-to-market strategy and process, proposal optimization, customer satisfaction measures and highly integrated marketing initiatives.
- Integration of the company’s world-class EDM Applications through enhanced product roadmaps, product definitions and packaged deliverables.
- Creation of a new EDM Technology and Custom Solutions group to leverage EDM software tools in new decision areas, deliver domain and solution experts to work with clients, create new bundled solutions and build EDM methodologies to support large-scale sales and delivery of EDM solutions.
- Transition of targeted engineering, quality assurance and maintenance functions to the company’s major development center in Bangalore, India.

Company to Host Conference Call

The company will host a brief conference call today at 5:00 p.m. Eastern Time (4:00 p.m. Central Time/2:00 p.m. Pacific Time) to address this announcement. The call can be accessed live on the Investor Relations section of the company’s Web site at www.fairisaac.com, and a replay will be available approximately two hours after the completion of the call through July 13, 2006.

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About Fair Isaac

Fair Isaac Corporation (NYSE:FIC) makes decisions smarter. The company's solutions and technologies for Enterprise Decision Management give businesses the power to automate more processes and apply more intelligence to every customer interaction. Through increasing the precision, consistency and agility of their decisions, Fair Isaac clients worldwide increase sales, build customer value, cut fraud losses, manage credit risk, reduce operational costs, meet changing compliance demands and enter new markets more profitably. Founded in 1956, Fair Isaac powers hundreds of billions of decisions a year in financial services, insurance, telecommunications, retail, consumer branded goods, healthcare and the public sector. Fair Isaac also helps millions of individuals manage their credit health through the www.myFICO.com website. Visit Fair Isaac online at www.fairisaac.com.

Statement Concerning Forward-Looking Information

Except for historical information contained herein, the statements contained in this press release that relate to Fair Isaac, including statements regarding its custom predictive analytics offering and the benefits to be derived from this offering, are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including any unforeseen technical difficulties related to the implementation, use and functionality of the offering, the risks that customers will not perceive material benefits from the offering, failure of the product to deliver the expected results, the possibility of errors or defects in the offering, and other risks described from time to time in Fair Isaac's SEC reports, including its Annual Report on Form 10-K for the year ended September 30, 2005, and quarterly report on Form 10-Q for the period ended March 31, 2006. Forward-looking statements should be considered with caution. If any of these risks or uncertainties materializes or any of these assumptions proves incorrect, Fair Isaac's results could differ materially from Fair Isaac's expectations in these statements. Fair Isaac disclaims any intent or obligation to update these forward-looking statements.

Fair Isaac is a registered trademark of Fair Isaac Corporation, in the United States and/or in other countries. Other product and company names herein may be the trademarks of their respective owners.

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