



SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

## FORM 8-K/A

### Amendment Number 1

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

Date of Report (Date of Earliest Event Reported): **AUGUST 5, 2002**

## **FAIR, ISAAC AND COMPANY, INCORPORATED**

(Exact name of Registrant as Specified in its Charter)

**DELAWARE**

(State or Other Jurisdiction of Incorporation)

**0-16439**

(Commission File Number)

**94-1499887**

(I.R.S. Employer Identification Number)

200 SMITH RANCH ROAD, SAN RAFAEL, CA 94903  
(Address of Principal Executive Offices)

(415) 472-2211

(Registrant's Telephone Number, Including Area Code)

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### **ITEM 7: FINANCIAL STATEMENTS AND EXHIBITS.**

On August 19, 2002, Fair, Isaac and Company, Incorporated (“Fair, Isaac”) filed a Current Report on Form 8-K to report the closing of its merger (the “Merger”) of a wholly owned subsidiary of Fair, Isaac with and into HNC Software Inc., (“HNC”) pursuant to an Agreement and Plan of Merger, dated as of April 28, 2002 (the “Merger Agreement”), by and among Fair, Isaac, HNC and Northstar Acquisition Inc. As a result of the Merger, HNC became a wholly owned subsidiary of Fair, Isaac.

In that report, Fair, Isaac indicated that it would file the information required by this Item 7 of Form 8-K no later than the date required by this item. Fair, Isaac is filing this Amendment Number 1 to provide this financial information, and hereby amends Item 7, in its entirety, as set forth below.

#### **(a) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED.**

The following financial statements of HNC are filed with this report as Exhibit 99.01 and are incorporated into this report by this reference:

- (i) Audited consolidated balance sheets as of December 31, 2001 and December 31, 2000.
- (ii) Audited consolidated statements of operations, shareholders’ equity (deficit) and cash flows for the years ended December 31, 2001, 2000 and 1999.
- (iii) Unaudited consolidated balance sheet as of June 30, 2002.
- (iv) Unaudited consolidated statements of operations, shareholders’ equity (deficit) and cash flows for the six months ended June 30, 2002.

#### **(b) PRO FORMA FINANCIAL INFORMATION.**

The following unaudited pro forma financial information is filed with this report as Exhibit 99.02 and is incorporated into this report by this reference.

- (i) Unaudited pro forma condensed combined consolidated balance sheet as of June 30, 2002.
- (ii) Unaudited pro forma condensed combined consolidated statement of operations for the nine months ended June 30, 2002.
- (iii) Unaudited pro forma condensed combined consolidated statement of operations for the year ended September 30, 2001.
- (iv) Notes to unaudited pro forma condensed combined consolidated financial statements.

#### **(c) EXHIBITS.**

23.01 Consent of PricewaterhouseCoopers LLP (filed herewith)

99.01 Historical financial statements of HNC:

- i) Audited consolidated balance sheets as of December 31, 2001 and December 31, 2000 (incorporated by reference to the Current Report on Form 8-K of HNC Software Inc. filed May 24, 2002 (File No. 0-26146)).
  - ii) Audited consolidated statements of operations, shareholders’ equity (deficit) and cash flows for the years ended December 31, 2001, 2000 and 1999 (incorporated by reference to the Current Report on Form 8-K of HNC Software Inc. filed May 24, 2002 (File No. 0-26146)).
  - iii) Unaudited consolidated balance sheet as of June 30, 2002 (incorporated by reference to the Quarterly Report on Form 10-Q of HNC Software Inc. filed August 14, 2002 (File No. 0-26146)).
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iv) Unaudited consolidated statements of operations, shareholders' equity (deficit) and cash flows for the six months ended June 30, 2002 (incorporated by reference to the Quarterly Report on Form 10-Q of HNC Software Inc. filed August 14, 2002 (File No. 0-26146)).

99.02 Unaudited pro forma condensed consolidated financial information (filed herewith):

- i) Unaudited pro forma condensed combined consolidated balance sheet as of June 30, 2002.
  - ii) Unaudited pro forma condensed combined consolidated statement of operations for the nine months ended June 30, 2002.
  - iii) Unaudited pro forma condensed combined consolidated statement of operations for the year ended September 30, 2001.
  - iv) Notes to unaudited pro forma condensed combined consolidated financial statements.
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**SIGNATURES**

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

FAIR, ISAAC AND COMPANY, INCORPORATED

Dated: October 21, 2002

By: /s/ ANDREA M. FIKE

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Andrea M. Fike  
Vice President, General Counsel and Secretary

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**INDEX TO EXHIBITS**

<b>EXHIBIT NO.</b>	<b>DESCRIPTION</b>
23.01	Consent of PricewaterhouseCoopers LLP
99.01	Historical financial statements of HNC: <ul style="list-style-type: none"><li>i) Audited consolidated balance sheets as of December 31, 2001 and December 31, 2000 (incorporated by reference to the Current Report on Form 8-K of HNC Software Inc. filed May 24, 2002 (File No. 0-26146)).</li><li>ii) Audited consolidated statements of operations, shareholders' equity (deficit) and cash flows for the years ended December 31, 2001, 2000 and 1999 (incorporated by reference to the Current Report on Form 8-K of HNC Software Inc. filed May 24, 2002 (File No. 0-26146)).</li><li>iii) Unaudited consolidated balance sheet as of June 30, 2002 (incorporated by reference to the Quarterly Report on Form 10-Q of HNC Software Inc. filed August 14, 2002 (File No. 0-26146)).</li><li>iv) Unaudited consolidated statements of operations, shareholders' equity (deficit) and cash flows for the six months ended June 30, 2002 (incorporated by reference to the Quarterly Report on Form 10-Q of HNC Software Inc. filed August 14, 2002 (File No. 0-26146)).</li></ul>
99.02	Unaudited pro forma condensed consolidated financial information: <ul style="list-style-type: none"><li>i) Unaudited pro forma condensed combined consolidated balance sheet as of June 30, 2002.</li><li>ii) Unaudited pro forma condensed combined consolidated statement of operations for the nine months ended June 30, 2002.</li><li>iii) Unaudited pro forma condensed combined consolidated statement of operations for the year ended September 30, 2001.</li><li>iv) Notes to unaudited pro forma condensed combined consolidated financial statements.</li></ul>

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-72804) of Fair, Isaac and Company, Incorporated of our report dated January 23, 2002, except as to Note 16, to which the date is May 23, 2002, relating to the financial statements of HNC Software Inc., which appears in HNC Software Inc.'s Current Report on Form 8-K dated May 24, 2002, which is incorporated by reference in this Current Report on Form 8-K/A of Fair, Isaac and Company, Incorporated dated August 5, 2002.

PricewaterhouseCoopers LLP

San Diego, California  
October 17, 2002

## PRO FORMA FINANCIAL INFORMATION

## UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined consolidated financial statements give effect to the merger between Fair, Isaac and HNC using the purchase method of accounting for business combinations.

The information is only a summary and you should read it together with our historical financial statements and related notes contained in the annual reports and other information that we have filed with the SEC and incorporated by reference.

The pro forma data is based on an exchange ratio for the merger of 0.519 of a share of Fair, Isaac common stock for each share of HNC common stock. The Fair, Isaac historical and pro forma share and per share data reflect Fair, Isaac's 3-for-2 stock split on June 5, 2002.

The unaudited pro forma condensed combined consolidated balance sheet of Fair, Isaac gives effect to the merger as if it occurred on June 30, 2002 and combines the unaudited historical consolidated balance sheets of Fair, Isaac and HNC as of June 30, 2002.

The unaudited pro forma condensed combined consolidated statements of operations of Fair, Isaac gives effect to the proposed merger as if the merger had been consummated on October 1, 2000. The unaudited pro forma condensed combined consolidated statement of operations of Fair, Isaac for the nine month period ended June 30, 2002 combines the unaudited consolidated statements of operations of Fair, Isaac and HNC for the nine month period ended June 30, 2002. The unaudited pro forma condensed combined consolidated statement of operations of Fair, Isaac for the fiscal year ended September 30, 2001 combines the audited historical consolidated statement of operations of Fair, Isaac for the fiscal year ended September 30, 2001 with the unaudited pro forma condensed consolidated statement of operations of HNC for the year ended December 31, 2001.

On August 15, 2001, HNC acquired the assets of the Blaze business unit from Brokat Technologies, Inc., which was a significant transaction to HNC. The HNC unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2001 reflects the historical results of operations of HNC for the year ended December 31, 2001, which included operations of Blaze from the acquisition date through December 31, 2001, adjusted to give effect to the Blaze acquisition as if it had occurred on January 1, 2001.

The accompanying unaudited pro forma condensed combined consolidated financial statements are presented in accordance with Article 11 of Regulation S-X. The pro forma information is not necessarily indicative of the operating results or financial position that would have occurred if the proposed merger had been consummated on October 1, 2000 or June 30, 2002, respectively, nor is it necessarily indicative of future operating results or financial position. The pro forma financial statements should be read in conjunction with the accompanying notes and with Fair, Isaac's and HNC's historical consolidated financial statements and related notes.



421,248 A  
 Intangibles,  
 net 1,190  
 32,321  
 (32,321)C  
 91,490  
 42,000 A  
 39,700 A  
 8,600 A  
 Deferred  
 income taxes  
 5,504 41,467  
 1,201 A  
 48,172 Other  
 assets 3,493  
 6,264  
 (4,871)A  
 4,886 -----  
 -----  
 ----- \$

289,754 \$  
 581,001 \$  
 370,431  
 \$1,241,186  
 =====  
 =====  
 =====  
 =====

LIABILITIES  
 AND  
 STOCKHOLDERS'  
 EQUITY

Current  
 liabilities:  
 Accounts  
 payable and  
 accrued  
 liabilities  
 \$ 32,493 \$  
 30,017 \$  
 8,544 A \$  
 87,287  
 16,233 A  
 Billings in  
 excess of  
 earned  
 revenues  
 10,247 9,030  
 (2,729)A  
 16,548 -----  
 -----  
 -----

Total  
 current  
 liabilities  
 42,740  
 39,047  
 22,048  
 103,835  
 Long-term  
 liabilities:  
 Other  
 liabilities  
 4,859 1,650  
 2,265 A  
 8,774  
 Convertible  
 subordinated  
 notes --  
 150,000  
 (10,302)A  
 139,698 ----  
 -----  
 -----  
 Total long-  
 term  
 liabilities  
 4,859  
 151,650

(8,037)  
 148,472 ----  
 -----  
 -----  
 -----  
 Total  
 liabilities  
 47,599  
 190,697  
 14,011  
 252,307 ----  
 -----  
 -----

Stockholders' equity:

Common stock  
 351 36 (36)B  
 539 188 A  
 Paid in  
 capital in  
 excess of  
 par value  
 130,694  
 536,519  
 (536,519)B  
 919,257  
 68,706 A  
 719,857 A  
 Retained  
 earnings  
 (accumulated  
 deficit)  
 241,251  
 (146,143)  
 146,143 B  
 201,051  
 (40,200)A  
 Less  
 treasury  
 stock, at  
 cost  
 (129,694) --  
 -- (129,694)  
 Deferred  
 compensation  
 -- (140) 140  
 B (1,827)  
 (1,827)A  
 Accumulated  
 other  
 comprehensive  
 income  
 (loss) (447)  
 32 (32)B  
 (447) -----  
 -----  
 -----

Total  
 stockholders'  
 equity  
 242,155  
 390,304  
 356,420  
 988,879 ----  
 -----  
 -----  
 \$ 289,754 \$  
 581,001 \$  
 370,431  
 \$1,241,186  
 =====  
 =====  
 =====  
 =====

See accompanying notes to unaudited pro forma condensed combined consolidated financial statements.

UNAUDITED PRO FORMA CONDENSED COMBINED  
CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE NINE MONTHS ENDED JUNE 30, 2002

(IN THOUSANDS, EXCEPT PER-SHARE AMOUNTS)

HISTORICAL --	-----	-----	-----
PRO FORMA PRO	FORMA FAIR,	ISAAC HNC	ADJUSTMENTS
COMBINED -----	-----	-----	-----
Revenues	\$263,125	\$167,011 --	\$430,136
Costs and expenses:			
Cost of revenues	118,436	67,727 --	186,163
Research and development	21,672	38,595	-- 60,267
Sales, general and administrative	57,004	53,636	-- 110,640
Amortization of intangibles and transaction-related costs	1,743	25,367	(23,752) C
	12,933	9,575	A
Amortization of deferred compensation	-- --	864	A
Restructuring and impairment charges	--	897	-- 897 --
Total costs and expenses	198,855	186,222	(13,313)
	371,764	-----	-----
Income (loss) from operations	64,270	(19,211)	
Other income (expense),	13,313	58,372	

net	4,439	
(298)	(301)	A
3,840	-----	
-	-----	
-----		
---	Income	
(loss)	before	
income	taxes	
68,709		
(19,509)		
13,012	62,212	
Provision		
(benefit)	for	
income	taxes	
26,625		
(6,010)	4,892	
D 25,507	-----	
-----		
-----		
-----	Net	
income	(loss)	
\$ 42,084		
\$(13,499)	\$	
8,120	\$	
36,705		
=====		
=====		
=====		
=====		
Earnings		
(loss)	per	
share:		
Diluted	\$	
1.17	\$ (0.38)	
E	\$ 0.64	
Basic	\$ 1.23	
\$ (0.38)	E \$	
0.70	Shares	
used	in	
computing		
earnings		
(loss)	per	
share:		
Diluted		
35,832	35,585	
E	57,524	
Basic	34,113	
35,585	E	
52,582		

See accompanying notes to unaudited pro forma condensed combined consolidated financial statements.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS OF  
HNC SOFTWARE INC.

FOR THE YEAR ENDED DECEMBER 31, 2001

(IN THOUSANDS, EXCEPT PER-SHARE AMOUNTS)

HISTORICAL  
PRO FORMA ---  
-----  
----- PRO  
FORMA  
CONSOLIDATED  
HNC BLAZE(1)  
ADJUSTMENTS  
HNC -----  
-----  
-----  
Revenues  
\$226,670 \$  
17,357 \$ --  
\$244,027  
Costs and  
expenses:  
Costs of  
revenues  
87,192 8,602  
-- 95,794  
Research and  
development  
45,667 7,739  
-- 53,406  
Sales,  
general and  
administrative  
74,649 24,596  
-- 99,245  
Transaction-  
related  
amortization  
and costs  
56,556  
552,227  
(552,227)(F)  
58,693 2,137  
(G) In-  
process  
research and  
development  
487 -- -- 487  
Restructuring  
and  
impairment  
charges 4,642  
1,393 --  
6,035 -----  
-----  
----- Total  
operating  
expenses  
269,193  
594,557  
(550,090)  
313,660  
Income (loss)  
from  
operations  
(42,523)  
(577,200)  
550,090  
(69,633)  
Other income  
(expense),  
net (201)  
(35) -- (236)  
-----  
-----

Income (loss)  
 before income  
 tax provision  
 (benefit)  
 (42,724)  
 (577,235)  
 550,090  
 (69,869)  
 Income tax  
 provision  
 (benefit)  
 (6,272) --  
 (876)(H)  
 (7,148) -----  
 -----  
 ----- Net  
 income (loss)  
 \$(36,452)  
 \$(577,235) \$  
 550,966  
 \$(62,721)  
 =====  
 =====  
 =====  
 =====  
 Earnings  
 (loss) per  
 share: Basic  
 and diluted  
 net loss per  
 common share  
 \$ (1.06) \$  
 (1.82) Shares  
 used in  
 computing  
 basic and  
 diluted net  
 loss per  
 common share  
 34,509 34,509

-----  
 (1) Blaze was acquired by HNC on August 15, 2001. These results represent  
 revenue and expenses recognized by the predecessor owner of Blaze from  
 January 1, 2001 through August 14, 2001 and are not reflective of actual  
 results subsequent to HNC's acquisition of Blaze. The unaudited pro forma  
 condensed combined consolidated statement of operations for the nine months  
 ended June 30, 2002 includes actual results for Blaze subsequent to the  
 acquisition. These amounts reflect the effects of integrating Blaze,  
 including associated cost-cutting measures.

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED  
STATEMENT OF OPERATIONS FOR THE YEAR ENDED SEPTEMBER 30, 2001  
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

HISTORICAL --

-----

-----

PRO FORMA  
HISTORICAL

PRO FORMA PRO

FORMA FAIR,

ISAAC(1)

HNC(2)

ADJUSTMENTS

SUBTOTAL

BLAZE(3)

ADJUSTMENTS

COMBINED ----

-----

-----

-----

-----

-----

-----

Revenues

\$329,148

\$226,670 \$ --

\$555,818 \$

17,357 \$ --

\$573,175

Costs and

expenses:

Cost of

revenues

148,559

87,192 --

235,751 8,602

-- 244,353

Research and

development

28,321 45,667

-- 73,988

7,739 --

81,727 Sales,

general and

administrative

78,061 74,649

-- 152,710

24,596 --

177,306

Amortization

of

intangibles

and

transaction-

related costs

2,100 56,556

(56,444)(C)

14,979

552,227

(552,227)(F)

14,979 12,767

(A) -- --

Amortization

of deferred

compensation

-- -- 1,152

(A) 1,152 --

-- 1,152 In-

process

research and

development -

- 487 -- 487

-- -- 487

Restructuring

and

impairment

charges --

4,642 --



\$ 0.84 (E) \$  
0.56 Basic \$  
1.40 \$ (1.06)  
\$ 0.89 (E) \$  
0.60 Shares  
used in  
computing  
earnings  
(loss) per  
share:  
Diluted  
34,589 34,509  
53,917 (E)  
53,917 Basic  
32,979 34,509  
50,889 (E)  
50,889

- - - - -

- (1) For the year ended September 30, 2001.
- (2) For the year ended December 31, 2001.
- (3) Blaze was acquired by HNC on August 15, 2001. These results represent revenue and expenses recognized by the predecessor owner of Blaze from January 1, 2001 through August 14, 2001 and are not reflective of actual results subsequent to HNC's acquisition of Blaze. The unaudited pro forma condensed combined consolidated statement of operations for the nine months ended June 30, 2002 includes actual results for Blaze subsequent to the acquisition. These amounts reflect the effects of integrating Blaze, including associated cost-cutting measures.

See accompanying notes to unaudited pro forma condensed  
combined consolidated financial statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED  
COMBINED CONSOLIDATED FINANCIAL STATEMENTS

PRO FORMA ADJUSTMENTS

The measurement date to determine the value of the merger was August 5, 2002.

(A) Purchase Price Adjustments

The purchase price adjustments reflect the issuance of 18,780,482 shares of Fair, Isaac common stock to HNC stockholders using an exchange ratio of 0.519, based on the outstanding shares of HNC on August 5, 2002. The fair value of the Fair, Isaac shares assumed to be issued is based on a per share value of \$38.3401, which is equal to the weighted average closing sale price per share, by volume, of Fair, Isaac's common stock as reported on the New York Stock Exchange for the five-day trading period beginning two days before and ending two days after August 5, 2002.

For purposes of the pro forma financial information, the following table presents the assumptions used.

Total consideration (in thousands):	
Fair value of Fair, Isaac common stock assumed to be issued	\$720,045
Acquisition related costs	8,544
Fair value of options to purchase Fair, Isaac common stock to be issued, less \$1.8 million representing the portion of the intrinsic value of HNC's unvested options applicable to the remaining vesting period	66,879
	-----
	\$795,468
	=====

The estimated acquisition-related costs consist primarily of banking, legal and accounting fees, printing and mailing costs, and other directly related charges.

The planning process for the integration of HNC's operations may result in additional accruals for severance costs and/or facilities closures in accordance with Emerging Issues Task Force (EITF) Issue No. 95-3. Such accruals would increase the allocation of the purchase consideration to goodwill.

The following represents the preliminary allocation of the purchase price to the acquired assets and assumed liabilities of HNC. This allocation is preliminary and based on HNC's assets and liabilities as of June 30, 2002.

Purchase price allocation (in thousands):	
Net tangible assets	\$243,720
Goodwill	421,248
Other intangible assets:	
Existing Technology	42,000
Customer Relationship	39,700
Trade Name	8,600
In-process research and development	40,200
	-----
	\$795,468
	=====

Net tangible assets consist of \$270.0 million recorded on the HNC historical financial statements as of June 30, 2002, adjusted principally to reflect a decrease in deferred tax assets of \$14.3 million, a decrease of net property and equipment of \$1.6 million, a decrease in the convertible subordinated note liability of \$10.3 million and the removal of associated deferred debt issuance costs of \$2.8 million, and a reduction in deferred revenue of \$2.7 million, along with an aggregate \$18.5 million increase in other liabilities recorded as of the acquisition date, related primarily to HNC severance and change in control liabilities, accrued lease exit costs and accrued banking fees that became payable upon the merger consummation.

Goodwill represents the excess of the purchase price over the fair value of tangible and identifiable intangible assets. The unaudited pro forma condensed combined consolidated statement of operations does not reflect the amortization of goodwill acquired in the proposed merger consistent with the guidance in the Financial Accounting Standards Board (FASB) Statement No. 142, Goodwill and Other Intangible Assets.

Amortization of other intangible assets has been provided over the following

estimated useful lives: existing technology--5 years; customer relationship--15 years; trade name--5 years. This will result in annual amortization of approximately \$8.4 million for existing technology, \$2.6 million for customer relationship and \$1.7 million for trade name.

The purchase price allocation includes a reduction in HNC's reported deferred revenue at August 5, 2002. HNC's deferred revenue relates primarily to the remaining portion of periodic licenses, maintenance and services sold to customers for

which payment has been received. Under the purchase method of accounting, HNC's deferred revenue was reduced by approximately \$2.7 million to the estimated fair value of the related obligations as of August 5, 2002. This adjustment will have the effect of reducing the amount of revenue the combined company will recognize in periods subsequent to the merger compared to the amount of revenue HNC would have recognized in the same periods absent the merger.

The purchase price allocation also includes a reduction in HNC's reported convertible subordinated note balance at August 5, 2002, to reflect such balance at its estimated fair value. The purchase price allocation also eliminates associated deferred debt issuance costs. These adjustments will have the effect of increasing the amount of interest expense the combined company will recognize in periods subsequent to the merger compared to the amount of interest expense HNC would have recognized in the same periods absent the merger.

The \$1.8 million of deferred stock-based compensation represents the unearned portion, as of August 5, 2002, of the intrinsic value of HNC's unvested common stock options assumed in the merger. The deferred compensation will be amortized on a straight-line basis over the remaining vesting period of less than one to four years.

- (B) The pro forma adjustment represents the elimination of HNC's stockholders' equity accounts.
- (C) The pro forma adjustment represents the elimination of HNC's capitalized goodwill and other intangible assets aggregating \$120.3 million at June 30, 2002 and related amortization expense of \$56.4 million and \$23.8 million for the fiscal year ended September 30, 2001 and the nine month period ended June 30, 2002, respectively.
- (D) The adjustment reflects the statutory tax rate of 41%.

(E) The following table sets forth the computation of basic and diluted earnings per share:

FOR THE NINE MONTHS ENDED JUNE 30, 2002	HISTORICAL		PRO FORMA COMBINED
	FAIR, ISAAC	HNC	
(IN THOUSANDS, EXCEPT PER SHARE DATA)			
Numerator:			
Net income (loss)	\$ 42,084	\$(13,499)	\$ 36,883
Denominator:			
Weighted-average common shares outstanding	34,113	35,585	52,582
Effect of dilutive employee stock options outstanding	1,656	1,031	2,133
Restricted securities issued in Nykamp acquisition	63	--	63
Effect of dilutive Employee Stock Purchase Plan equivalents	--	82	43
Effect of conversion of convertible subordinated notes	--	5,208	2,703
Diluted common shares	35,832	41,906	57,524
Diluted earnings (loss) per share	\$ 1.17	\$ (0.38)	\$ 0.64
Basic earnings (loss) per share	\$ 1.23	\$ (0.38)	\$ 0.70

FOR THE YEAR ENDED SEPTEMBER 30, 2001	HISTORICAL	PRO FORMA	PRO FORMA
	FAIR, ISAAC	HNC	COMBINED
(IN THOUSANDS, EXCEPT PER SHARE DATA)			
Numerator:			
Net income (loss)	\$ 46,112	\$(62,721)	\$ 30,471
Denominator:			
Weighted-average common shares outstanding	32,979	34,509	50,889
Effect of dilutive employee stock options outstanding	1,610	1,799	2,044
Effect of dilutive Employee Stock Purchase Plan equivalents	--	61	32
Effect of conversion of convertible subordinated notes	--	1,835	952
Diluted common shares	34,589	38,204	53,917
Diluted earnings (loss) per share	\$ 1.33	\$ (1.82)	\$ 0.57
Basic earnings (loss) per share	\$ 1.40	\$ (1.82)	\$ 0.60

(F) Reflects the elimination of Blaze's historical amortization and impairment of goodwill and intangible assets.

(G) Reflects the amortization of identifiable intangible assets resulting from the Blaze acquisition over the estimated useful lives of two to four years, as if the acquisition had occurred on January 1, 2001.

(H) Reflects the estimated tax benefit resulting from the amortization of the intangible assets recorded as part of the Blaze acquisition, as if it had occurred on January 1, 2001.