

# SECURITIES AND EXCHANGE COMMISSION

## FORM DEF 14A

Definitive proxy statements

Filing Date: **2005-05-02** | Period of Report: **2005-06-09**  
SEC Accession No. **0001206774-05-000769**

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

#### MANAGEMENT NETWORK GROUP INC

CIK: **1094814** | IRS No.: **481129619** | Fiscal Year End: **1231**  
Type: **DEF 14A** | Act: **34** | File No.: **000-27617** | Film No.: **05788012**  
SIC: **8742** Management consulting services

#### Mailing Address

7300 COLLEGE BLVD., STE  
302  
OVERLAND PARK KS 66210

#### Business Address

7300 COLLEGE BLVD., STE  
302  
OVERLAND PARK KS 66210  
9133459315

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**SCHEDULE 14A**

OMB APPROVAL
OMB Number: 3235-0059
Expires: January 31, 2008
Estimated average burden hours per response... 14

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.      )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule §240.14a-12

**THE MANAGEMENT NETWORK GROUP, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

\_\_\_\_\_

2. Aggregate number of securities to which transaction applies:

\_\_\_\_\_

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

\_\_\_\_\_

4. Proposed maximum aggregate value of transaction:

---

5. Total fee paid:

---

SEC 1913 (04-05)

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

---

2. Form, Schedule or Registration Statement No.:

---

3. Filing Party:

---

4. Date Filed:

---

---

---

**THE MANAGEMENT NETWORK GROUP, INC.  
7300 COLLEGE BOULEVARD, SUITE 302  
OVERLAND PARK, KANSAS 66210**

---

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held June 9, 2005**

---

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of THE MANAGEMENT NETWORK GROUP, INC., a Delaware corporation (the "Company"), will be held on June 9, 2005 at 9:00 a.m. local time, at The Fairmont Chicago Hotel, 200 North Columbus Drive, Chicago, IL 60601.

This proxy statement and the enclosed proxy card were first mailed to stockholders on or about May 2, 2005.

At the Annual Meeting, stockholders will vote on the election of two Class III directors to serve for a term of three years expiring at the 2008 Annual Meeting of Stockholders or until their successors are elected, and the ratification of the appointment of Deloitte & Touche LLP as independent registered public accounting firm of the Company for the fiscal year ending December 31, 2005.

Stockholders of record at the close of business on April 12, 2005 are entitled to notice of and to vote at the meeting. Each stockholder is entitled to one vote per share.

All stockholders are cordially invited to attend the meeting in person. However, to ensure your representation at the meeting, you are urged to mark, sign, date and return the enclosed proxy as promptly as possible in the postage-prepaid envelope enclosed for that purpose. Any stockholder attending the meeting may vote in person even if he or she has returned a proxy.

By order of the Board of Directors

Richard P. Nespola  
*Chairman*

Overland Park, Kansas  
April 29, 2005

**YOUR VOTE IS IMPORTANT**

IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING, YOU ARE REQUESTED TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE AND RETURN IT IN THE ENCLOSED ENVELOPE.

**THE MANAGEMENT NETWORK GROUP, INC.  
7300 COLLEGE BOULEVARD, SUITE 302  
OVERLAND PARK, KANSAS 66210**

PROXY STATEMENT  
FOR THE 2005 ANNUAL MEETING OF STOCKHOLDERS  
JUNE 9, 2005

**INFORMATION CONCERNING SOLICITATION AND VOTING**

**General**

The enclosed proxy is solicited on behalf of the Board of Directors of The Management Network Group, Inc. (“we,” “us,” the “Company” or “TMNG”), for use at the Annual Meeting of Stockholders to be held June 9, 2005 at 9:00 a.m. local time, or at any postponement or adjournment thereof (the “Annual Meeting”), for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at The Fairmont Chicago Hotel, 200 North Columbus Drive, Chicago IL, 60601. The telephone number at that location is (312) 565-7400.

These proxy solicitation materials and the Annual Report to Stockholders for the fiscal year ended January 1, 2005, including financial statements (the “Annual Report”), were first mailed on or about May 2, 2005 to all stockholders entitled to vote at the Annual Meeting.

**Record Date and Share Ownership**

Stockholders of record at the close of business on April 12, 2005 (the “Record Date”) are entitled to notice of and to vote at the Annual Meeting. On the Record Date, 34,862,289 shares of the Company’s Common Stock were issued and outstanding and held of record by

approximately 114 stockholders. The closing price of the Company's Common Stock on the Record Date, as reported by The NASDAQ National Market, was \$2.21 per share.

### **Revocability of Proxies**

You may revoke your proxy at any time before the Annual Meeting by delivering to the Secretary of the Company prior to the Annual Meeting, or to the Inspector of Elections at the Annual Meeting, a written notice of revocation or a duly executed proxy bearing a later date. You may also revoke your proxy by attending the meeting and voting in person. If you only attend the meeting but do not vote, your proxy will not be revoked.

### **Voting and Solicitation**

Each stockholder is entitled to one vote for each share held as of the Record Date. Stockholders will not be entitled to cumulate their votes in the election of directors. Beneficial owners of shares held in "street name" who wish to vote at the Annual Meeting must obtain a proxy form from the institution that holds their shares.

The cost of soliciting proxies will be borne by the Company. The Company expects to reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to those beneficial owners. Proxies may also be solicited by certain of the Company's directors, officers, and regular employees, without additional compensation, personally or by telephone or facsimile.

### **Quorum; Abstentions; Broker Non-Votes**

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the Inspector of Elections (the "Inspector") appointed for the meeting, who will determine whether or not a quorum is present.

The required quorum for the transaction of business at the Annual Meeting is a majority of the shares outstanding on the Record Date. Shares voted "FOR," "AGAINST," or "WITHHELD FROM," a matter will be treated as being present at the meeting for purposes of establishing a quorum and will also be treated as shares voted at the Annual Meeting (the "Votes Cast").

---

While there is no definitive statutory or case law authority in Delaware as to the proper treatment of abstentions, the Company believes abstentions should be counted for purposes of determining both (i) the presence or absence of a quorum and (ii) the total number of Votes Cast with respect to a proposal (other than the election of directors). In the absence of controlling precedent to the contrary, the Company intends to treat abstentions in this manner. Accordingly, abstentions will have the same effect as a vote against a proposal (other than the election of directors).

In a 1988 Delaware case, *Berlin v. Emerald Partners*, the Delaware Supreme Court held that, while broker non-votes should be counted for purposes of determining the presence or absence of a quorum, broker non-votes should not be counted for purposes of determining the number of Votes Cast. Accordingly, the Company does not intend to treat broker non-votes as a vote against a proposal.

### **Board Recommendations**

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote your shares in accordance with the recommendations of the Board of Directors. The Board recommends you vote:

for the election of the persons nominated as Class III director

for the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2005

If any other matter properly comes before the meeting, the proxy holders will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion.

### **Deadline for Receipt of Stockholder Proposals**

Proposals that are intended to be presented by stockholders at the Company's 2006 Annual Meeting must be received by the Company no later than December 31, 2005 to be considered for inclusion in the proxy statement and form of proxy relating to that meeting (see "Submission of Stockholder Proposals and Nominations").

## **PROPOSAL NO. 1**

### **ELECTION OF DIRECTORS**

#### **Directors and Nominees for Director**

The Board of Directors consists of eight members, divided into three classes serving staggered terms of three years each. The term of office of Messrs. Grant G. Behrman and Richard P. Nespola as Class III directors expires at the 2005 Annual Meeting. Messrs. Behrman and Nespola have been nominated by the Nominating and Corporate Governance Committee for an additional three-year term commencing on the Annual Meeting date.

Currently, there are three directors in Class I, three directors in Class II and two directors in Class III. The Class I and Class II directors will be elected at the Company's 2006 and 2007 Annual Meetings of Stockholders, respectively. Each of the Class III directors elected at the 2005 Annual Meeting will hold office until the 2008 Annual Meeting of Stockholders or until a successor has been duly elected and qualified.

Messrs. Behrman and Nespola have consented to serve on the Board of Directors for their respective terms. If Mr. Behrman or Mr. Nespola becomes unavailable to serve as a director at the time of the Annual Meeting (which is not expected), the proxy holders will vote the proxies in their discretion for the nominee designated by the Board of Directors to fill the vacancy.

---

Here is some information about the nominees for Class III director and the directors whose term of office will continue after the Annual Meeting.

<b>Name</b>	<b>Age</b>	<b>Principal Occupation</b>
<b>Nominees for Class III Director</b>		
Grant G. Behrman (1) (3)	51	Chairman and Managing Partner, Behrman Capital
Rich Nespola	60	President, Chairman and Chief Executive Officer of the Company
<b>Continuing Class I Directors</b>		
William M. Matthes	45	Managing Partner, Behrman Capital
Micky K. Woo	51	Vice President of the Company
Robert J. Currey (2) (3)	59	Chief Executive Officer, Consolidated Communications, Inc.
<b>Continuing Class II Directors</b>		
Andrew D. Lipman (1) (3)	53	Partner, Swindler Berlin LLP
Roy A. Wilkens (1) (2)	62	Director
Frank M. Siskowski (2)	57	Chief Financial Officer, Reply! Inc.

(1) Member of the Compensation Committee

- (2) Member of the Audit Committee
- (3) Member of the Nominating and Corporate Governance Committee

There are no family relationships among any of the directors or executive officers of the Company.

### **Directors to be Elected at the Annual Meeting**

Grant G. Behrman has been a director of the Company since 1998 and served as Chairman of the Board from 1998 to December 2, 2002. Mr. Behrman is a Managing Partner of Behrman Capital and was a founding partner of that firm. Prior to founding Behrman Capital, Mr. Behrman was a founding member of Morgan Stanley's Venture Capital Group where he worked from 1981 to 1991, and a consultant with the Boston Consulting Group from 1977 to 1981. Mr. Behrman is Chairman of the Board and a director of Esoterix, Inc., and a director of Brooks Equipment Corp., Athena Diagnostics, Inc. and several other private companies. Mr. Behrman received an M.B.A. with distinction from the Wharton Graduate School of Business in 1977 and an undergraduate degree in Business from the University of the Witwatersrand (South Africa).

Richard P. Nespola founded TMNG in 1990 and has served as President and Chief Executive Officer of the Company since that time. He was elected Chairman of the Board on December 2, 2002. During his extensive career in telecom, Mr. Nespola has served as Senior Vice President and Chief Operating Officer of Telesphere Communications and as Vice President of Financial Operations and Senior Vice President of Strategic Markets and Product Pricing at Sprint. He served as the Senior Director of Revenue and Treasury Operations at MCI from 1983 to 1986. Mr. Nespola is a director of Choice One Communications and is a member of the Board of Trustees for Long Island University. Mr. Nespola is a frequent chair of industry forums and noted conference speaker. Mr. Nespola received a B.A. and M.B.A. from Long Island University.

### **Directors Whose Term will Continue Beyond the Annual Meeting**

William M. Matthes has served as a director since 1998. Mr. Matthes joined Behrman Capital, a private equity firm, in 1996 and has served as a Managing Partner of Behrman Capital since 1999. Mr. Matthes was Chief Operating Officer of Holsted Marketing, Inc., a direct marketing company, from 1994 to 1996. From 1989 to 1994, Mr. Matthes was a General Partner at Brentwood Associates, a private equity firm. Mr. Matthes currently serves as Chairman of the Board of Hunter Defense Holdings, Inc. and is a director of several other private companies. Mr. Matthes received his M.B.A. from Harvard Business School in 1986 where he was both a Baker Scholar and a Loeb Rhoades Fellow. Mr. Matthes received his A.B. in Economics from Stanford University, where he graduated with honors and distinction.

Micky K. Woo has served as a Vice President and director of TMNG and has been a Partner with TMNG since 1991. Prior to joining TMNG, Mr. Woo served from 1989 to 1991 as Vice President of Information Systems and

---

Revenue Assurance at Telesphere Communications. From 1987 to 1989, Mr. Woo was the Director of Revenue and Treasury Management at Sprint and from 1983 to 1987 he served in management at MCI, including Senior Manager of Receivables Management, Senior Manager of the East Coast Billing Center, and Senior Manager of Revenue Reporting and Analysis. Prior to entering the telecommunications industry, Mr. Woo was a consultant with Price Waterhouse (now PricewaterhouseCoopers). Mr. Woo received his B.A. in Computer Science and an M.A. in Accounting from the University of Iowa.

Robert J. Currey was appointed a director by the Board of Directors in June 2003 to fill a vacancy created by the Board's decision to increase the number of independent directors on the Company's Board. Mr. Currey is President and CEO of Consolidated Communications. From 1998 until acquired by RCN, he served as President and CEO of 21st Century Telecom. He served as Vice Chairman of RCN until April 2002. From 1990 to 1997 he served as President of Consolidated Communications (CCI) until CCI merged with McLeodUSA in 1997. In

1996, he was named Chairman of the Illinois Coalition, a non-profit organization of business, government, academic, and labor leaders that promotes technology-based economic development in Illinois. He has also served as Chairman of the Board of the Illinois State Chamber of Commerce.

Andrew D. Lipman has been a director of the Company since 2000. Mr. Lipman is the senior partner in the Telecommunications Group and the Vice Chairman of the law firm of Swidler Berlin LLP. For more than ten years, while maintaining his partnership at Swidler Berlin LLP, Mr. Lipman also served as Senior Vice President, Legal and Regulatory Affairs for MFS Communications. Mr. Lipman sits on the Boards of Nuskyn Enterprises, a cosmetics and nutritional manufacturer and marketer; M Power Communications, a communications carrier; and International Worldwide Cellular, an international cellular telephone distributor. Mr. Lipman is a graduate of the University of Rochester (summa cum laude) and Stanford Law School.

Roy A. Wilkens has served as a director of the Company since 1999. In 1985, Mr. Wilkens founded WilTel, Inc., a wholesale communications carrier and subsidiary of The Williams Companies, an oil and gas pipeline company. Mr. Wilkens was the Chief Executive Officer of WilTel Inc. from 1985 to 1995. In 1995, WilTel was acquired by LDDS Communications, a predecessor to MCI Worldcom. Mr. Wilkens remained as Chief Executive Officer of WilTel until 1997. Prior to 1985, Mr. Wilkens served as the President of Williams Pipeline Company, a subsidiary of The Williams Companies. In 1992, President George H. W. Bush appointed Mr. Wilkens to the National Security Telecommunications Advisory Council. He has also served as chairman of both the Competitive Telecommunications Association and the National Telecommunications Network.

Frank M. Siskowski has served as a director since March 2003. Mr. Siskowski has a career of over 30 years in finance, including senior management positions with Visa International, MCI, PepsiCo, and Indus International. From 1998 to 2000, Mr. Siskowski was Chief Financial Officer of E-LOAN, Inc., where he helped lead that company's initial public offering. Most recently, Mr. Siskowski served as Chief Financial Officer of ZANTAZ, Inc., a leading provider of Compliance Technology Solutions<sup>TM</sup> that enable clients to comply with industry regulations, respond to urgent litigation and regulatory audits, and mitigate legal and regulatory risks. In April 2005, Mr. Siskowski joined Reply! Inc. as its Chief Financial Officer.

The Board of Directors has determined that Messrs. Behrman, Matthes, Currey, Lipman, Wilkens and Siskowski are independent, as defined in the NASDAQ listing standards.

### **Vote Required**

The two nominees receiving the highest number of affirmative votes in person or represented by proxy and entitled to vote shall be elected as the Class III directors. Votes withheld from the directors are counted for purposes of determining the presence or absence of a quorum for the transaction of business, but have no other legal effect under Delaware law.

### **Board Meetings, Committees and Director Compensation**

The Board of Directors held a total of three meetings during the fiscal year ended January 1, 2005. No director attended less than 75% of those meetings. At each meeting, the independent directors have an opportunity to meet in executive session without management.

---

The Board of Directors has an Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. From time to time, the Board has created various ad hoc committees for special purposes. No such committee is currently functioning.

The Audit Committee currently consists of Roy A. Wilkens, Robert J. Currey and Frank M. Siskowski. The Audit Committee oversees the accounting, auditing and financial reporting policies and practices of the Company. The Board of Directors has affirmatively determined that the members of the Audit Committee are "independent," as defined in the NASDAQ listing standards. Mr. Siskowski is considered to be an "audit committee financial expert" as defined by applicable rules of the Securities and Exchange Commission ("SEC") by virtue of his



experience and background as described above. The Audit Committee held a total of seven meetings during fiscal year 2004. No member of the Audit Committee during 2004 attended less than 75% of those meetings.

The Compensation Committee consists of Grant G. Behrman, Andrew D. Lipman and Roy A. Wilkens. The Compensation Committee makes recommendations to the Board of Directors regarding our employee benefit plans and the compensation of officers. None of the members of the Compensation Committee is currently, or has ever been at any time since our formation, one of our officers or employees. No member of the Compensation Committee serves as a member of the Board of Directors or Compensation Committee of any entity that has one or more officers serving as a member of our Board of Directors or Compensation Committee. No officer of the Company serves on the Compensation Committee of any company by which any of the members of our Compensation Committee is employed. The Board of Directors has affirmatively determined that the members of the Compensation Committee are “independent” as defined in the NASDAQ listing standards. The Compensation Committee held a total of three meetings during fiscal year 2004. No member of the Compensation Committee attended less than 75% of those meetings.

The Nominating and Corporate Governance Committee consists of Grant G. Behrman, Andrew D. Lipman and Robert J. Currey. The Board of Directors has affirmatively determined that the members of the Nominating and Corporate Governance Committee are “independent” as defined in the NASDAQ listing standards. The Nominating and Corporate Governance Committee’s primary functions are to recommend individuals qualified to serve as directors of the Company; to advise the Board on its composition, procedures and committees; to advise the Board regarding corporate governance and to develop, recommend to the Board and evaluate periodically a set of corporate governance guidelines for the Company; to recommend to the Board an appropriate level of compensation for non-employee directors of the Company; and to oversee the evaluation of the Board and the Company’s management.

The Nominating and Corporate Governance Committee has adopted a formal written charter addressing the nomination process. A copy of the charter is available on the “Investor Relations – Corporate Governance” page of our website at [www.tmng.com](http://www.tmng.com). In accordance with the provisions of its charter, the Nominating and Corporate Governance Committee will consider nominations for director made in good faith by shareholders and will not apply different selection criteria to shareholder nominees than the selection criteria for persons nominated by the Nominating and Corporate Governance Committee. Among the criteria considered important during the selection of new directors, are experience, knowledge, skills, expertise, integrity, analytic ability, independence of mind, understanding of the Company’s business and its business environment, willingness and ability to devote adequate time and effort to Board responsibilities, and diversity with respect to other Board members. For a description of the procedures for shareholders to make nominations for director, see “Submission of Stockholder Proposals and Nominations” contained in this proxy statement.

The Board has adopted a policy to allow shareholders to communicate directly with the Board of Directors via e-mail at [Board@tmng.com](mailto:Board@tmng.com). These communications will be monitored by the Chairman of the Board.

The Nominating and Corporate Governance Committee was formed in October 2003 and held one meeting in 2004.

---

## Compensation of Directors

Each non-employee director other than directors affiliated with entities owning more than five percent of the Common Stock of TMNG receives \$1,000 for each Board meeting attended in person or \$500 if attended by conference call, plus an additional \$500 for each committee meeting attended either in person or by conference call. Non-employee directors are also reimbursed for expenses incurred in connection with attending board and committee meetings. During fiscal year 2004, Messrs. Wilkens, Lipman, Siskowski and Currey received \$4,500, \$3,000, \$5,000 and \$4,500, respectively in director’s fees in connection with attendance at Board and committee meetings.

We have in the past granted non-employee directors options to purchase our Common Stock for services provided as directors pursuant to the terms of our stock plans, and our Board continues to have the discretion to grant options to new non-employee directors. Mr. Wilkens received options to purchase 37,500 shares of our Common Stock when he joined the Board of Directors in 1999. Such options have been

exercised. Mr. Lipman received options to purchase 37,500 shares of our Common Stock when he joined the Board of Directors in 2000, and received additional options to purchase 34,212 shares of our Common Stock in 2001. Such options have not been exercised as of April 29, 2005. Mr. Siskowski received options to purchase 37,500 shares of our Common Stock when he joined the Board of Directors in March 2003. Such options have not been exercised as of April 29, 2005. Mr. Currey received options to purchase 37,500 shares of our Common Stock when he joined the Board of Directors in June 2003. Such options have not been exercised as of April 29, 2005. Option grants to directors to purchase shares of our Common Stock typically vest over a period of three to four years from the date of grant.

## PROPOSAL NO. 2

### RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee intends to engage the independent registered public accounting firm of Deloitte & Touche LLP to audit the consolidated financial statements of the Company for the fiscal year ending December 31, 2005. Representatives of Deloitte & Touche LLP are expected to be available to respond to appropriate questions during the Annual Meeting. The Audit Committee recommends that stockholders vote “FOR” ratification of such appointment.

Deloitte & Touche LLP has audited the Company’s financial statements since 1995.

#### Independent Registered Public Accounting Firm’s Fees

The following table summarizes the aggregate fees billed to the Company by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the “Deloitte Entities”) during 2004 and 2003:

	2004	2003
Audit Fees (a)	\$205,467	\$171,825
Audit-Related Fees (b)	10,500	14,450
Tax Fees (c)	10,867	5,322
All Other Fees (d)		7,500
<b>Total</b>	<b><u>\$226,834</u></b>	<b><u>\$199,097</u></b>

- Fees for audit services billed in 2004 and 2003 consisted of the audit of the Company’s annual financial statements, reviews of the
- (a) Company’s quarterly financial statements, and consents and other services related to Securities and Exchange Commission (“SEC”) matters.
  - (b) Fees for audit-related services billed in 2004 and 2003 consisted of employee benefit plan audits.
  - (c) Fees for tax services billed in 2004 and 2003 consisted of tax compliance and tax planning and advice.

Fees for tax compliance services totaled \$7,000 and \$1,050 in 2004 and 2003, respectively. Tax compliance services are services rendered based upon facts already in existence or transactions that have already occurred to document, compute, and obtain government approval for amounts to be included in tax filings

---

and consisted of assistance with tax return filings in certain foreign jurisdictions. Performance of the tax services was pre-approved by the Audit Committee.

Fees for tax planning and advice services totaled \$3,867 and \$4,272 in 2004 and 2003, respectively. Tax planning and advice are services rendered with respect to proposed transactions or that alter a transaction to obtain a particular tax result. Such services consisted of research and consultation regarding the ability to carry back net operating losses in 2004, and tax advice related to a change in accounting methods for Federal income tax purposes in 2003. Performance of the tax services was pre-approved by the Audit Committee.

- (a) Fees for all other services totaled \$7,500 in 2003. Such services consisted of firm sponsored training in 2003. These services were pre-approved by the Audit Committee.

	2004	2003
Memo: Ratio of Tax Planning and Advice Fees and All Other Fees to Audit Fees, Audit-Related Fees and Tax Compliance Fees	0.02:1.00	0.06:1.00

In considering the nature of the services provided by the Deloitte Entities, the Audit Committee determined that such services are compatible with the provision of independent audit services. The Audit Committee discusses these services with the Deloitte Entities and Company management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the SEC to implement the Sarbanes-Oxley Act of 2002, as well as the rules of the Public Company Accounting Oversight Board and the American Institute of Certified Public Accountants.

### Pre-Approval Policy

The charter of the Audit Committee provides for pre-approval of non-audit services provided by the Deloitte Entities. In 2005, the Board of Directors will adopt formal policies and procedures related to pre-approval of non-audit services performed by the Company's independent registered public accounting firm.

### EXECUTIVE OFFICERS

Here is information on our executive officers other than Messrs. Nespola and Woo, whose biographies appear on pages 3 and 4.

Donald E. Klumb, 42, has served as Vice President and Chief Financial Officer of the Company since 1999. From 1998 to 1999, Mr. Klumb was a partner at Deloitte & Touche LLP and headed the firm's Midwest telecommunications and high technology practice. From 1992 to 1998, he was a senior manager with Deloitte & Touche LLP. Mr. Klumb received his B.S. in Accounting from the University of Wisconsin-Milwaukee and is a certified public accountant.

Jacob W. Bayer, Jr., 49, was appointed Corporate Secretary of the Company in 2002. Mr. Bayer is a director, member of the Executive Committee and Head of the General Business Group of the law firm of Shughart Thomson & Kilroy, P.C., Kansas City, Missouri. Mr. Bayer received his J.D. in 1980 from The University of Kansas School of Law. He received his undergraduate degree in Business Administration from The University of Kansas in 1977.

### Executive Compensation

#### Summary Compensation Table

The following table describes the compensation earned by our Chief Executive Officer and our other executive officers who received annual compensation of more than \$100,000 during 2004, 2003 and 2002:

#### Long-Term Compensation

Name and Principal Position	Year	Annual Compensation		Securities	Restricted	All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Underlying Options (#)	Stock Award(s) (\$)	
Richard P. Nespola (1) Chairman, Chief Executive Officer and President	2004	\$589,367	–	–	–	\$ 184,454
	2003	\$567,630	–	–	–	\$ 14,113
	2002	\$534,882	–	–	–	\$ 112,382
Micky K. Woo (2) Vice President	2004	\$434,797	–	–	–	\$ 1,768
	2003	\$418,693	\$25,000	–	–	\$ 1,007
	2002	\$355,084	–	–	–	\$ 303
Donald E. Klumb (3) Vice President and Chief Financial Officer	2004	\$259,615	\$50,000	–	–	\$ 1,768
	2003	\$232,692	\$15,000	50,000	\$433,750	\$ 723
	2002	\$189,615	\$25,000	–	–	\$ 172

(1) In 2004, all other compensation includes \$14,454 relating to the taxable portion of group term life insurance and the use of an automobile, including the amount of lease payments taxable to Mr. Nespola. Upon adoption of the Sarbanes-Oxley Act, the company ceased making split dollar premium payments on behalf of Mr. Nespola. During 2004, the Company has replaced the benefits to Mr. Nespola of the split dollar life insurance policy through quarterly payments to Mr. Nespola in lieu of split dollar premiums. During 2004, these payments totaled \$170,000 and are expected to be \$42,500 per quarter during 2005. In 2005, the Company plans to terminate the split dollar life insurance policy with the Company receiving estimated proceeds of approximately \$175,000 from the cash surrender value of the policy.

All other compensation in 2003 consists of the taxable portion of group term life insurance, taxable portion of short-term and long-term disability insurance, and the use of an automobile, including the amount of lease payments taxable to Mr. Nespola. All other compensation in 2002 consists of benefits related to estate planning, taxable portion of group term life insurance, taxable portion of split dollar life insurance premiums, and the use of an automobile, including the amount of lease payments taxable to Mr. Nespola.

(2) All other compensation in 2004 and 2003 is for the taxable portion of group term life insurance, and the taxable portion of short-term and long-term disability insurance. All other compensation in 2002 is for the taxable portion of group term life insurance.

(3) During 2003 Mr. Klumb received a grant of 50,000 non-statutory stock options from the Company. The stock options have an exercise price of \$2.31 per share. At the date of grant the closing market price of the Company's Common Stock was \$3.47 per share. Also during 2003 Mr. Klumb received a grant of 125,000 shares of the Company's Common Stock, subject to restriction based on vesting requirements. The shares vest over a 2-year period, with 30% of the shares vesting upon the first anniversary of their grant date and the remaining 70% vesting on the second anniversary of the grant date. At the date of grant the closing market price of the Company's Common Stock was \$3.47 per share. All other compensation in 2004 and 2003 is for the taxable portion of group term life insurance, and the taxable portion of short- and long-term disability insurance. All other compensation in 2002 is for the taxable portion of group term life insurance.

## Employment Agreements

Mr. Nespola and Mr. Klumb executed employment agreements with the Company in 2004 and 2003, respectively. The employment agreements were filed as exhibits to the Company's annual report on Form 10-K for the year ended January 3, 2004, as filed with the U.S. Securities and Exchange Commission on March 31, 2004.

## Option Grants in Last Fiscal Year

There were no stock options granted during 2004 to named executive officers.

### Options Exercised in Last Fiscal Year

There were no stock options exercised during 2004 by named executive officers.

### Aggregate Year-End Option Values

The following table contains information regarding the number and value of securities underlying exercisable and unexercisable options held by the named executive officers at January 1, 2005:

Name	Number of Securities Underlying Unexercised Option at January 1, 2005		Value of Unexercised In-The-Money Options at January 1, 2005 (1)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
	Richard P. Nespola	305,600	–	–
Micky K. Woo	268,200	–	\$36,500	–
Donald E. Klumb	279,166	45,834	\$79,417	\$ 1,333

(1) Value of unexercised in-the-money options is based on a value of \$2.35 per share, the closing price of our Common Stock on the NASDAQ National Market on December 31, 2004, minus the per share exercise price, multiplied by the number of shares underlying the option.

### Internal Revenue Code Section 162(m) Limitations on Executive Compensation

Section 162(m) of the Internal Revenue Code (the “Code”) generally disallows a tax deduction to public companies for compensation in excess of \$1,000,000 paid for any fiscal year to the company’s chief executive officer and the four other most highly compensated executive officers. The statute exempts qualifying performance-based compensation from the deduction limit if stated requirements are met. Section 162(m) provides for a transition period of up to approximately three years after a company goes public before the limitations fully apply. No executive officer of the Company received any compensation in excess of this limit during fiscal 2004. Although the Compensation Committee has designed the Company’s executive compensation program so that compensation will be deductible under Section 162(m), at some future time it may not be possible or practicable or in the Company’s best interests to qualify an executive officer’s compensation under Section 162(m). Accordingly, the Compensation Committee and the Board of Directors reserve the authority to award non-deductible compensation in circumstances they consider appropriate.

### Equity Compensation Plan Information

The following table provides information with respect to compensation plans (including individual compensation arrangements) under which Common Stock of the Company was authorized for issuance to officers, directors and employees as of January 1, 2005.

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options or Vesting of Restricted Stock (a)	Weighted-Average Exercise Price of Outstanding Options (b)	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Shares Reflected in Column (a)) (c)
Equity compensation plans approved by stockholders			

- 1998 Equity Incentive Plan–Stock Options	4,455,385	\$	5.16	2,279,419
- 1998 Equity Incentive Plan–Restricted Stock	658,000		n/a	542,000
Equity compensation plans not approved by stockholders				
- 2000 Supplemental Stock Plan	1,053,564	\$	4.71	2,744,478
Total	6,166,949	\$	5.07	5,565,897

## COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee of the Board of Directors (the “Committee”), comprising three directors, none of whom are employees of the Company, is responsible for the administration of the Company’s compensation programs. These programs include base salary for executive officers and both annual and long-term incentive compensation programs. The Company’s compensation programs are designed to provide a competitive level of total compensation and include incentive and equity ownership opportunities linked to the Company’s performance and stockholder return.

*Compensation Philosophy.* The Company’s overall executive compensation philosophy is based on a series of guiding principles derived from the Company’s values, business strategy, and management requirements. These principles are summarized as follows:

Provide competitive levels of total compensation which will enable the Company to attract and retain the best possible executive talent;

Motivate executives to achieve optimum performance for the Company;

Align the financial interest of executives and stockholders through equity-based plans;

Provide a total compensation program that recognizes individual contributions as well as overall business results.

*Compensation Program.* The Committee is responsible for reviewing and recommending to the Board the compensation and benefits of all officers of the Company and establishing and reviewing general policies relating to compensation and benefits of employees of the Company. The Committee is also responsible for the administration of the Company’s 1998 Equity Incentive Plan, 2000 Supplemental Stock Plan, the Employee Stock Purchase Plan and annual bonus plans. There are three major components to the Company’s executive compensation: base salary, potential cash bonus, and potential long-term compensation in the form of stock options or restricted stock. The Committee considers the total current and potential long-term compensation of each executive officer in establishing each element of compensation.

*Base Salary.* In setting compensation levels for executive officers, the Committee reviews competitive information relating to compensation levels for comparable positions at consulting firms, telecommunications companies and other high technology companies.

In addition, the Committee may,

from time to time, hire compensation and benefits consultants to assist in developing and reviewing overall salary strategies. Individual executive officer base compensation may vary based on time in position, assessment of individual performance, salary relative to internal and external equity and critical nature of the position to the success of the Company.

*Long-Term Incentives.* The Company’s equity compensation plans provide for the issuance of options to officers and employees of the Company to purchase shares of the Company’s Common Stock at an exercise price, which in general is equal to the fair market value of the Common Stock on the date of grant. Stock options are granted to the Company’s executive officers and other employees both as a reward for past individual and corporate performance and as an incentive for future performance. The Company’s equity compensation plans also provide for the issuance of Common Stock to key management personnel of the Company, subject to restriction. The shares are restricted based on vesting requirements, which currently provide for a graded vesting schedule over two years from the date of grant. The

Committee believes that stock-based performance compensation arrangements are essential in aligning the interests of management and the stockholders and enhancing the value of the Company's equity.

*Benefits.* The Company provides benefits to the named executive officers that are generally available to all employees of the Company. The amount of executive level benefits and perquisites, as defined in accordance with SEC rules, did not exceed 10% of total salary and bonus for fiscal year 2004 for any executive officer other than Mr. Nespola. In 2004, Mr. Nespola's benefits included payments in lieu of split dollar life insurance premiums. Upon adoption of the Sarbanes-Oxley Act, the company ceased making split dollar premium payments on behalf of Mr. Nespola. During 2004, the Company has replaced the benefits to Mr. Nespola of the split dollar life insurance policy through quarterly payments to Mr. Nespola in lieu of split dollar premiums. During 2004, these payments totaled \$170,000 and are expected to be \$42,500 per quarter during 2005. In 2005, the Company plans to terminate the split dollar life insurance policy with the Company receiving estimated proceeds of \$175,000 from the cash surrender value of the policy.

It is in the opinion of the Committee that the aforementioned compensation policies and structures provide the necessary discipline to properly align the Company's corporate economic performance and the interest of the Company's stockholders with progressive, balanced and competitive executive total compensation in an equitable manner.

### **2004 Compensation for the Chief Executive Officer**

In determining Mr. Nespola's salary for fiscal year 2004, the Committee considered competitive compensation data for publicly-held consulting and telecommunications companies. The Committee also took into account Mr. Nespola's experience and knowledge and his performance as Chief Executive Officer. Mr. Nespola's salary for fiscal year 2004 was \$589,367. He did not receive a bonus for 2004.

The foregoing Committee Report is not considered "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates it by reference into such filing.

Respectfully submitted,

The Compensation Committee of the Board of Directors

Grant G. Behrman, Andrew D. Lipman, Roy A. Wilkens

April 29, 2005

---

### **REPORT OF THE AUDIT COMMITTEE**

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including our system of internal controls. Our independent registered public accounting firm is responsible for auditing our annual financial statements and expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States of America. The Board of Directors adopted a written Charter for the Audit Committee in 2001. In November 2002, the Board adopted a Second Amended and Restated Charter, which reflected the additional responsibilities assumed by the Audit Committee under the Sarbanes-Oxley Act related SEC rules. In April 2004, the Board adopted a Third Amended and Restated Charter, which reflects the additional responsibilities assumed by the Audit Committee under revised NASDAQ and SEC rules. A copy of the charter is available on the "Investor Relations – Corporate Governance" page of our website at [www.tmng.com](http://www.tmng.com).

The Audit Committee has sole authority to engage the independent registered public accounting firm to perform audit services (subject to stockholder ratification) and permitted non-audit services, and the sole authority to approve all audit engagement fees and the terms of all permitted non-audit engagements and fees of the independent registered public accounting firm. The independent registered public accounting firm reports directly to the Audit Committee and is accountable to the Audit Committee.

In fulfilling its oversight responsibilities, the Committee reviewed the Company's 2004 audited financial statements with management and the independent registered public accounting firm, including a discussion of the quality, not just the acceptability, of the Company's accounting principles, the reasonableness of significant judgments, the clarity of disclosures in the financial statements, and other matters that are required to be discussed with the Committee under the standards of the Public Company Accounting Oversight Board.

The Committee also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, "Communications With Audit Committees," the firm's independence from management and the Company, including the compatibility of non-audit services with the auditors' independence and the written disclosures required by Independence Standards Board No. 1. The Committee meets at least quarterly with the independent registered public accounting firm, with and without management present, to discuss the overall scope and plans for its audit, the results of its audits and reviews, its evaluations of the Company's internal controls, disclosure controls and procedures for financial reporting, and the overall quality of the Company's financial reporting.

The Committee discussed with management and the independent registered public accounting firm the critical accounting policies of the Company, the impact of those policies on the Company's 2004 financial statements, the impact of known trends, uncertainties, commitments and contingencies on the application of those policies, and the probable impact on the 2004 financial statements if different accounting policies had been applied.

The Committee held seven meetings during fiscal year 2004. In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the annual report on Form 10-K for the fiscal year ended January 1, 2005 for filing with the SEC. The Committee also plans to engage, subject to stockholder ratification, the Company's independent registered public accounting firm to perform audit services for fiscal year 2005.

The Audit Committee does not itself prepare financial statements or perform audits, and its members are not auditors or certifiers of the Company's financial statements. The members of the Audit Committee are not professionally engaged in the practice of accounting and, notwithstanding the designation of one or more Audit Committee members as "audit committee financial experts" pursuant to SEC rules, are not experts in the field of accounting or auditing, including auditor independence. Members of the Committee rely without independent verification on the information provided to them and the representations made to them by management and the independent registered public accounting firm and look to management to provide full and timely disclosure of all material facts affecting the Company. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles, appropriate internal controls and procedures, or appropriate disclosure controls and procedures for financial reporting, or that the Company's reports and information provided under the Exchange Act are accurate

---

and complete. Furthermore, the Audit Committee's considerations and discussions referred to above and in the Amended and Restated Charter do not assure that the audit of the Company's financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board, that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America, that the Company's independent registered public accounting firm is in fact "independent," or that the matters required to be certified by the Company's Chief Executive Officer and Chief Financial Officer in the Company's annual reports on Form 10-K and quarterly reports on Form 10-Q under the Sarbanes-Oxley Act and related SEC rules have been properly and accurately certified.



The foregoing Committee Report is not considered “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates it by reference into any such future filing.

Respectfully submitted,

The Audit Committee of the Board of Directors

Frank M. Siskowski, Roy A. Wilkens and Robert J. Currey

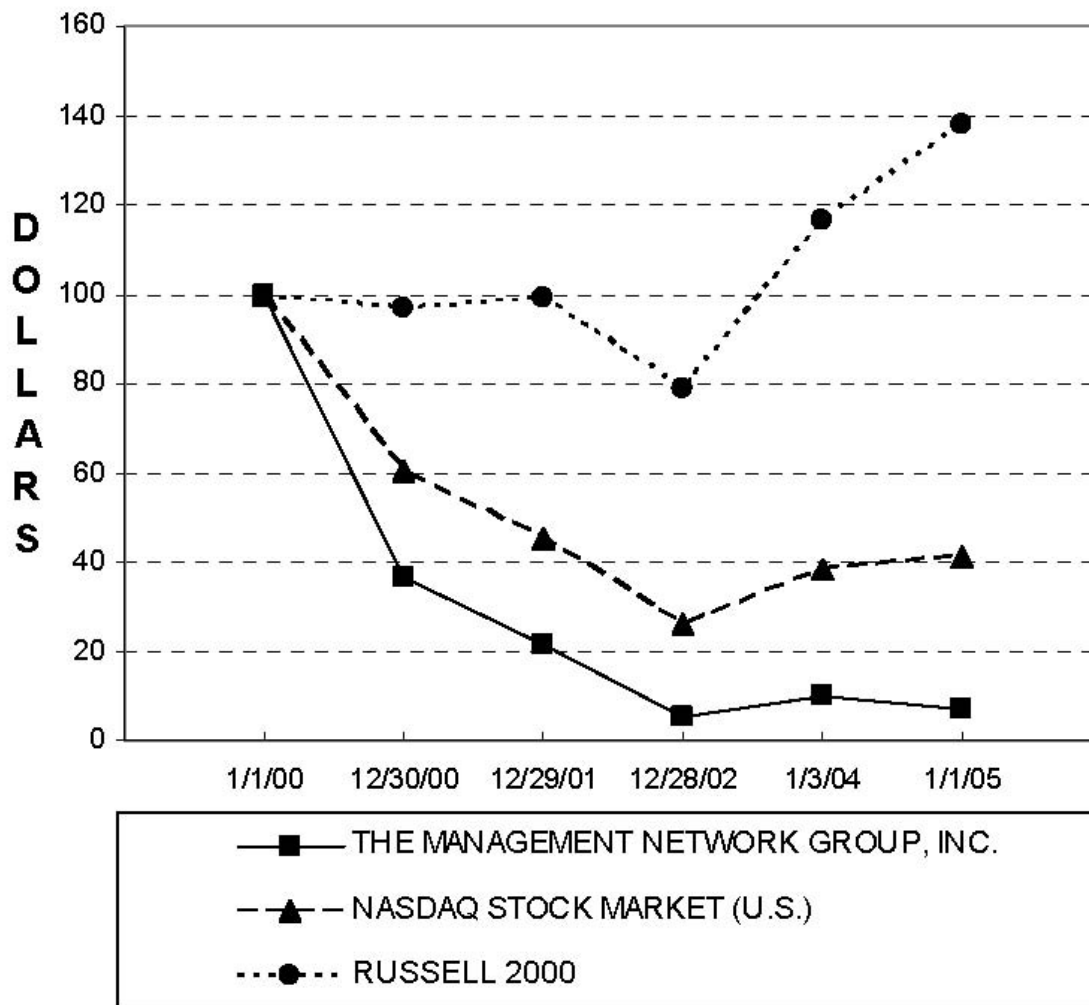
April 29, 2005

---

### **STOCK PERFORMANCE GRAPH**

The following graph compares the cumulative total stockholder return on the Company’s Common Stock with the cumulative total return of the NASDAQ National Market, U.S. index (“NASDAQ U.S. Index”) (in which the Company is included), and the Russell 2000 Index (in which the Company is not included) for the period beginning on January 1, 2000 and ending on January 1, 2005.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***  
 AMONG THE MANAGEMENT NETWORK GROUP, INC.,  
 THE NASDAQ STOCK MARKET (U.S.) INDEX AND THE RUSSELL 2000 INDEX



\* \$100 invested on 1/1/00 in stock or on 12/31/99 in index-including reinvestment of dividends. Indexes calculated on month-end basis.

	1/1/00	12/30/00	12/29/01	12/28/02	1/3/04	1/1/05
The Management Network Group Inc.	100.00	36.40	21.46	5.21	10.02	7.20
NASDAQ Stock Market (U.S.)	100.00	60.09	45.44	26.36	38.55	40.87
Russell 2000 Index	100.00	96.98	99.39	79.03	116.38	137.71

This Stock Performance Graph and related disclosure are not considered “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates it by reference into any such future filing.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth the beneficial ownership of the Company's Common Stock as of April 12, 2005, by (i) each person or entity who is known by the Company to own beneficially more than 5% of the outstanding shares of Common Stock, (ii) each director of the Company, (iii) each of the current executive officers named in the Summary Compensation Table, and (iv) all directors and executive officers of the Company as a group. Except as otherwise noted, the stockholders named in the table have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them, subject to applicable community property laws.

Unless otherwise indicated, the address for each beneficial owner set forth below is c/o The Management Network Group, Inc., 7300 College Boulevard, Suite 302, Overland Park, Kansas 66210.

Beneficial Owner	Shares Beneficially Owned	
	Total Number	Percent
<b>5% Stockholders:</b>		
Grant G. Behrman(1)		
William M. Mathes(2)		
Behrman Capital II L.P.(3)		
126 E. 56th Street, 27th Floor	12,467,282	35.8%
New York, NY 10022		
<b>Executive Officers &amp; Directors:</b>		
Richard P. Nespola(4)	3,549,314	10.2%
Micky K. Woo Trust(5)	2,369,921	6.8%
Donald E. Klumb(6)	435,603	1.2%
Roy A. Wilkens	37,500	*
Andrew D. Lipman(7)		
Swidler Berlin Shereff Friedman LLP		
3000 K Street, N.W.	63,159	*
Suite 300		
Washington, DC 20007		
Frank M. Siskowski(8)		
59 Chestnut Place	28,750	*
Danville, CA 94506		
Robert J. Currey(8)		
Consolidated Communications		
121 S. 17th Street	18,750	*
Mattoon, IL 61938		
All directors and executive officers as a group (9 persons)	18,970,279	54.4%

\* Less than 1% of the outstanding shares of Common Stock.

(1) Mr. Behrman is a director of the Company and a managing member of Behrman Brothers LLC, the general partner of Behrman Capital, and a general partner of Strategic Entrepreneur Fund. Mr. Behrman disclaims beneficial ownership of the shares held by these entities, except to the extent of his proportionate membership interest in Behrman Brothers LLC and his partnership interest in Strategic Entrepreneur Fund. Mr. Behrman is a member of our Board of Directors.

(2) Mr. Matthes is a director of the Company and a managing member of Behrman Brothers LLC. Mr. Matthes disclaims beneficial ownership of the shares held by Behrman Capital and its affiliates, except to the extent of his proportionate membership interest in Behrman Brothers LLC. Mr. Matthes is a member of our Board of Directors.

(3) Represents 12,386,185 shares held by Behrman Capital and 81,097 shares held by Strategic Entrepreneur Fund, an affiliate of Behrman Capital.

- (4) Includes 305,600 exercisable stock options.
- (5) Includes 70,200 shares held by Growth Unlimited, Inc. and 268,200 exercisable stock options.
- (6) Includes 279,166 exercisable stock options and 87,500 shares of restricted stock. The restricted shares vest on December 19, 2005.
- (7) Includes 63,159 exercisable stock options.
- (8) Includes 18,750 exercisable stock options.

## **COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934**

Section 16(a) of the Exchange Act requires the Company's directors, officers and beneficial owners of more than 10% of the Company's Common Stock to file reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms submitted to it during the fiscal year ended January 1, 2005 (the "Last Fiscal Year"), the Company has determined that all officers, directors and beneficial owners of more than 10% of the outstanding Common Stock complied with all Section 16(a) requirements during 2004. The Company assists its directors and officers in the preparation and filing of reports required under Section 16(a) of the Exchange Act.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

### **Outside Counsel**

Mr. Lipman, a director of the Company and member of the Compensation Committee and Nominating and Corporate Governance Committee, is a member of Swidler Berlin Shereff Friedman LLP, which performed legal services for the Company during 2004 and received payment of \$55,000 in connection with those services. Our Board of Directors has affirmatively determined that such payments do not constitute a material relationship between the Mr. Lipman and the Company and has concluded Mr. Lipman is independent as defined by the NASDAQ corporate governance rules.

### **Indemnification Agreements**

We have entered into indemnification agreements with our directors and executive officers.

### **Loans to Officers**

As of January 1, 2005, there was one line of credit between the Company and Mr. Nespola. The maximum aggregate amount available for borrowing under the loan agreement is \$300,000. Aggregate borrowings against the line of credit at January 1, 2005 totaled \$300,000 and are due in 2011. In accordance with the loan provisions, the interest rate charged on the loans is equal to the Applicable Federal Rate (AFR), as announced by the Internal Revenue Service, for short-term obligations (with annual compounding) in effect for the month in which the advance is made, until fully paid. Pursuant to the Sarbanes-Oxley Act, no further loan agreements or draws against the line may be made by the Company to, or arranged by the Company for its executive officers.

Pursuant to the NASDAQ listing standards, any future related party transactions must be specifically approved by the Audit Committee.

## Policy Regarding Transactions with Affiliates

All future transactions with affiliates must be approved by a majority of our independent and disinterested directors or, if required by law, a majority of disinterested stockholders, and will be on terms no less favorable to us than we could have obtained from unaffiliated third parties.

## SUBMISSION OF STOCKHOLDER PROPOSALS AND NOMINATIONS

### *Do I have a right to nominate directors or make proposals for consideration by the stockholders?*

Yes. Our Bylaws establish procedures which you must follow if you wish to nominate directors or make other proposals for consideration at an Annual Meeting of Stockholders.

### *How do I make a nomination?*

If you are a stockholder of record and wish to nominate someone to the Board of Directors, you must give written notice to the Company's Secretary. Your notice must be delivered to or mailed and received at the principal executive offices of the Company not less than 120 calendar days in advance of the first anniversary date of mailing of the Company's proxy statement released to stockholders in connection with the previous year's Annual Meeting of Stockholders; provided, however, that if no Annual Meeting was held the previous year or the date of the Annual Meeting has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, your notice must be received a reasonable time before the solicitation is made. A nomination received after such date will be deemed untimely and will not be considered. Your notice must include:

your name and address and the name and address of the person(s) nominated by you

a representation that you are the holder of record of Common Stock of the Company entitled to vote at the Annual Meeting and, if applicable, that you intend to appear in person or by proxy at the Annual Meeting to nominate the person(s) specified in your notice

if applicable, a description of all arrangements and understandings between you and each nominee and any other person(s) (naming them) pursuant to which the nomination was made

such other information regarding each nominee as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC

the consent of each nominee to serve as a director if elected

### *How do I make a proposal?*

If you are a stockholder of record and wish to make a proposal to the stockholders, you must give written notice to the Company's Secretary in accordance with the same procedure, as applicable, and containing the same information, as applicable, with respect to the proposal as required for a nomination as described above. Any proposal received after the date specified above will be deemed untimely and will not be considered.

## ANNUAL REPORT

TMNG's Annual Report to Stockholders, containing financial statements for the fiscal year ended January 1, 2005, is being mailed with this proxy statement to all stockholders entitled to vote at the Annual Meeting. You must not regard the Annual Report as additional proxy solicitation material.

The Company will provide without charge, upon written request to the Secretary of the Company at the address listed on the cover page of this proxy statement, a copy of the Company's annual report on Form 10-K, including the financial statements, filed with the Securities and Exchange Commission for the fiscal year ended January 1, 2005.

## HOUSEHOLDING

A single copy of our 2004 Annual Report and this proxy statement are being delivered to any multiple stockholders sharing the same address pursuant to SEC Rule 14a-3(e)(1), unless we or our transfer agent have received contrary instructions from one or more of those stockholders. We agree to deliver promptly upon written or oral request a separate copy of our Annual Report and proxy statement to any stockholder at a shared address to which a single copy of those documents has been delivered. You may notify us that you wish to receive a separate copy of the Annual Report and proxy statement for the 2005 or any future Annual Meeting by contacting us at 7300 College Boulevard, Suite 302, Overland Park, Kansas 66210, (913) 345-9315, Attention: Secretary. Stockholders

17

---

who are members of a single household receiving multiple copies of those documents and who wish to receive a single copy may contact us at the same address or telephone number.

## OTHER MATTERS

The Company knows of no other matters to be submitted to the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the shares they represent as the Board of Directors may recommend.

## The Board of Directors

Overland Park, Kansas  
April 29, 2004

18

---

## VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.



**7300 COLLEGE BOULEVARD**  
**SUITE 302**  
**OVERLAND PARK, KANSAS 66210**

## ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS

If you would like to reduce the costs incurred by **THE MANAGEMENT NETWORK GROUP, INC.** in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

#### **VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

#### **VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postagepaid envelope we have provided or return it to **THE MANAGEMENT NETWORK GROUP, INC.**, c/o ADP, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

MANET1

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**THE BOARD OF DIRECTORS RECOMMENDS  
A VOTE FOR ITEMS 1 AND 2.**

**Vote on Directors**

1.		<b>For All</b>	<b>Withhold For All</b>	<b>For All Except</b>	<b>To withhold authority to vote for a single nominee, mark "For All Except" and write the number of the nominee on the line below.</b>
	Election of directors:				
	01) Grant G. Behrman      02) Richard P. Nespola	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Vote On Proposal**

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
2. Ratifying the appointment of Deloitte & Touche LLP as independent auditors of the Company for the fiscal year ending December 31, 2005.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



For address changes, please check this box and write them on the back where indicated.



Please sign exactly as your name(s) appear on proxy. If held in joint tenancy, both persons must sign. Trustees, administrators, etc. should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

---

-----

**THE MANAGEMENT NETWORK GROUP, INC.  
7300 COLLEGE BOULEVARD, SUITE 302, OVERLAND PARK, KANSAS 66210  
ANNUAL MEETING OF STOCKHOLDERS  
THURSDAY, JUNE 9, 2005  
THE FAIRMONT CHICAGO HOTEL  
200 NORTH COLUMBUS DRIVE  
CHICAGO, ILLINOIS 60601**

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS FOR USE AT THE ANNUAL MEETING ON JUNE 9, 2005. The shares of stock you hold in this account will be voted as you specify on the reverse side. IF NO CHOICE IS SPECIFIED, THE PROXY WILL BE VOTED "FOR" ITEMS 1 AND 2.

By signing this proxy, you revoke all prior proxies and appoint Robert J. Currey and Frank M. Siskowski, and each of them, with full power of substitution, to vote these shares on the matters shown on the reverse side and any other matters which may come before the Annual Meeting and all adjournments. THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR EACH PROPOSAL.

**Address Changes:**

(If you noted any Address Changes above, please mark corresponding box on the reverse side.)