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SCHWARZENEGGER REAPPOINTS JOHN CHALKER TO CALIFORNIA TRANSPORTATION COMMISSION

SAN DIEGO — February 26, 2007 — Governor Arnold Schwarzenegger has re-appointed John Chalker, Managing Director of the San Diego-based LM Capital Group, LLC, to the California Transportation Commission (CTC). The appointment, which takes effect on March 1, requires Senate confirmation. Chalker has served on the commission since 2005.

In partnership with the state Department of Transportation and regional agencies, the nine-member commission oversees planning and funding for several billion dollars in transportation projects throughout California. The commission is also responsible for advising the state Secretary of Business, Transportation and Housing and the state legislature on key transportation matters.

As Managing Director for LM Capital, a leading San Diego-based fixed-income manager for institutional clients, Chalker sets investment policies and directs domestic fixed-income portfolios for LM Capital's institutional clients.

Chalker is a founding member of the Alliance in Support of Airport Progress in the 21st Century (ASAP21). He has been an active and influential member of the San Diego Regional Chamber of Commerce for more than a decade and has served on the Chamber's board of directors and its Public Policy, Infrastructure, Government Affairs and International Relations committees.

He has been involved with the World Trade Center, the Holiday Bowl, the Point Loma Branch Library, Braille Institute Community Advisory Council, American Council of Young Political Leaders, Mexican and American Foundation and the San Diego Junior Chamber of Commerce.

A resident of Point Loma, Chalker received a Bachelor of Science degree in oceanography from the United States Naval Academy, Annapolis, MD. He was a

member of the United States Navy for more than seven years, serving as a carrier-based fighter pilot.

About LM Capital Group, LLC

LM Capital Group, LLC is a San Diego-based independent investment advisory firm registered under the Investment Advisors Act of 1940. The firm was founded in 1989 by Luis Maizel and John Chalker to provide fixed-income investment services to institutional investors and is employed by public agencies, corporations and foundations across the United States. LM Capital Group manages nearly \$3 billion in four fixed-income strategies: Short-term, Intermediate-term, Core and Opportunistic Core (Core Plus). For more information, contact Richard Deary at 619.814.1401 or visit the LM Capital Group Web site www.lmcapital.com.

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