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The Chairmen's RoundTable Panel Shares Top Ten Economic Insights

San Diego, CA – December 1, 2008 – The Chairmen's RoundTable (CRT), a San Diego-based, non profit volunteer organization that provides gratis mentoring and business advice to CEOs and presidents of local, private businesses, recently asked five experts on finance and economics to explore some of the fundamental effects impacting the economy with a special focus on the investment landscape and what may be expected going forward.

The moderator was Michael Tedesco, first vice president of Morgan Stanley. The presenters were Dr. Allan Timmerman, professor of finance and economics, UCSD Rady School of Management; Dr. Sylvain Champonnais, assistant professor of finance, UCSD Rady School of Management; Dennis MacDonald of TCW, an international investment management firm; and Graham Hopper of BlackRock, one of the world's largest publicly-traded investment management firms.

The presentations and discussion yielded these top ten economic insights:

1. **Projecting recovery date is difficult:** We are in a unique situation making forecasting difficult. On November 6, the International Monetary Fund issued the following statement: "The economic outlook is exceptionally uncertain." The presenters discussed scenarios for the length of the downturn that ranged from projecting a recovery in 2010 (optimistic) to 2013/14 on the more pessimistic side.
2. **It can and probably will get worse:** All predicted the outlook for 2009 as bleak. A sharp decline in commercial real estate would result in a deeper, longer recession – with some even using the "D" word.
3. **Most optimistic recovery is 2010:** The presenters all agreed that the most optimistic estimates of a recovery would be 2010 – assuming a stabilization in the housing market, active lending by banks, and a stable dollar.
4. **Half of subprime mortgages already written off:** \$550 billion of the \$1.2 trillion of estimated bad mortgage debt has already been written off. The majority of the outstanding debt is, and always has been, with prime borrowers.
5. **The American consumer can pull us through:** Growth in consumer confidence, and the associated spending, will go a long way to building back up our economy."Never underestimate the American consumer."
6. **The president-elect will not have as much impact as you may think:** Obama will not have the time or resources to work on much more than the economy as he enters the White House. We will see a fiscal stimulus within his first 100 days in office. However, his other planned reforms and initiatives may have to wait until the economy stabilizes.
7. **Tax changes will not be severe or sudden:** Taxes will probably increase for some segments of the electorate but – most likely - on a fairly moderate basis so as to avoid negatively impacting needed recovery efforts.
8. **End of election has already had one positive impact:** Elections bring uncertainty. With the elections behind us, the markets should gain a level of certainty that will contribute to stabilization.
9. **Opportunities will be created:** Among them, municipal bonds may benefit with the expiration of the 15% capital gains cap in 2010. Certain segments, like construction, may directly benefit from the stimulus package.

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10. **Stay bullish on the United States:** The presenters believe a recovery will happen with some saying that the U.S. will be the first to pull through. European banks are actually more highly leveraged than U.S. banks. And the U.S. dollar has rebounded despite financial institution failures. It is very volatile, but remains strong.

The Chairmen's RoundTable Board of Directors has recently discussed revising its mentoring policy in light of the current economic fallout. "The CRT typically avoids mentoring companies with financial problems," said Hus Tigli, Chairman of the CRT Board. "We are now evaluating how we can help companies 'under stress', rather than 'in distress'. There's the recognition that times are very different. Our mission is to strengthen San Diego one company at a time – maybe part of that is to prevent the San Diego business community from weakening."

About Chairmen's RoundTable

The Chairmen's RoundTable is a non-profit volunteer organization comprised of 45 current and former Chief Executive Officers with extensive board of directors experience and diverse industry backgrounds. CRT mentors provide businesses in San Diego County priceless business advice and mentorship without compensation, as a way of giving back to the community. CRT's well-defined mentoring program is ideal for small to mid-sized companies at a strategic crossroads that are looking to gain an outside perspective on key business issues. To date, over 200 local companies have benefited from CRT's mentorship. For more information and to read about past client successes, please visit www.chairmensroundtable.com.

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