Making a Difference. . . . Helping Members Grow

2006 Annual Report

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Los Angeles, CA 90017
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213.580.7511
www.lachamber.org
Message from the Board Chair and President & CEO

To Our Members:

The Los Angeles Area Chamber of Commerce played an important role in helping to improve economic prosperity and quality of life in the Los Angeles region in 2006.

The Chamber’s advocacy efforts helped pass the historic “Rebuild California” infrastructure bonds, which will deliver unprecedented funding for critical infrastructure projects throughout the state. We helped to successfully block annual indexing of the state minimum wage. We also introduced and helped pass citywide term limits and ethics reforms in the City of Los Angeles. And this is just the beginning.

In 2006, the Chamber took significant steps to enhance our organization. In July, nationally recognized business leader Gary L. Toebben joined the Chamber as the new president and CEO. With 30 years of business and Chamber experience at the national, state and local level, Gary has pledged to continue to help grow and develop the L.A. Area Chamber to meet the needs of our member and our region.

The Chamber also revitalized our marketing and communications efforts this year by updating our time-honored logo and redesigning our Web site to better serve our members. Our updated Web site now serves as a comprehensive resource for members and the business community by providing information about public policy issues, Chamber programs and events, and much more.

We are pleased to present this annual report, which highlights the Chamber’s activities in 2006. From effective policy advocacy to expanded programs and resources for our members, 2006 was a year of success and growth for the Chamber. We look forward to building on this success in 2007 and continuing to serve the business community in the most vibrant region in the nation.

David Nichols
SVP, CALIFORNIA
AT&T

Gary L. Toebben
PRESIDENT & CEO
A Tribute to Russell J. “Rusty” Hammer

The Los Angeles Area Chamber of Commerce would like to thank Russell J. “Rusty” Hammer for his service as president and CEO for the past five years. Under Rusty’s leadership, the L.A. Area Chamber has grown as an organization and advanced key public policy issues important to business in the L.A. region.

Leaving the L.A. Area Chamber for health reasons, Rusty will continue to be involved with the Chamber as a senior policy advisor, counseling on public policy and political issues. The L.A. Area Chamber Board of Directors, staff and membership thank Rusty for his strategic vision, political savvy and bold leadership, which have helped to improve the business climate and quality of life in our region.

Among Rusty Hammer’s Accomplishments:

- Restoring the Chamber to profitability and financial health
- Increasing membership by more than 40 percent
- Merging two leadership development programs into the Chamber (Leadership L.A. and the Southern California Leadership Network), positioning the organization as the premiere provider of leadership training in the region
- Developing a strategic partnership with UNITE-LA, positioning the Chamber squarely at the leading edge of education reform
- Being the voice for business through our enormously successful and award-winning Business Perspective
- Expanding the Access Sacramento trip to 100 participants and Access D.C. to 100
- Developing new, compelling and award winning publications
- Continuing to set attendance records at all of our events
- Creating the Civic Medal of Honor to honor individuals who have distinguished themselves with a lifetime of service to our region
- Bringing World Trade Week under the auspices of the Chamber
- Creating Mobility 21, a coalition of business, labor, government and community groups to advocate for our transportation needs
- Creating the highly successful Pancakes and Politics series
The L.A. Area Chamber Welcomes Gary Toebben

The Los Angeles Area Chamber of Commerce welcomes Gary Toebben as president and CEO.Selected unanimously after a comprehensive, six-month national search, Gary brings unparalleled business and political expertise to the Chamber.

As former chair and current trustee of the American Chamber of Commerce Executives, Gary is one of the leading Chamber executives in the nation. Most recently, Gary served as president and CEO of the Northern Kentucky Chamber of Commerce, where he achieved national recognition for creating a model 21st century chamber of commerce, incorporating policy advocacy and business development with programs that cultivate community leaders and develop a skilled workforce. Gary’s leadership record also includes serving as president of both the Nebraska Chamber of Commerce Executives and Kansas Chamber of Commerce Executives, a member of the Kansas Governor’s Transportation Advisory Board, and chair of the University of Colorado Institute for Organization Management Board Regents.

The L.A. Area Chamber Board of Directors, staff and membership welcome Gary and look forward to working with him as we continue to improve our region and help our members grow.

“Gary Toebben knows business advocacy inside and out. With his stellar credentials, 30-year track record and relationships at the national, state and local levels, Gary is the best person to help us harness this engine and accelerate the Chamber’s continued growth.”

—Chamber Board Chair David Nichols, AT&T

TOEBBEN ON BOARD. Chamber Board members welcome new Chamber President & CEO Gary Toebben at a welcome reception in May. From left: Former Chamber Board Chair Christopher Martin; AC Martin Partners; Toebben; Chamber Board Chair David Nichols, AT&T; former Chamber Board Chair Charlie Woo, Megatoys; Chamber Board Vice Chair David Fleming, Latham & Watkins, LLP; and Chamber Board Member Eugene Hale, Greater Los Angeles African-American Chamber of Commerce.
Mission: By being the voice of business, helping its members grow and promoting collaboration, the Los Angeles Area Chamber of Commerce seeks full prosperity for the Los Angeles region.

Vision: As a trustee for the current and future welfare of the region, the Los Angeles Area Chamber of Commerce champions economic prosperity and quality of life.

BEING THE VOICE OF BUSINESS
Major Public Policy Accomplishments

Business advocacy at the local, state and federal levels remained a focal point for the L.A. Area Chamber in 2006. As the voice of business, the Chamber sought to bring about change for the betterment of the Los Angeles region. The organization created partnerships with other chambers and with those in the political and civic arenas.

The Chamber organized events to raise public and business awareness for issues affecting our community including: transportation and goods movement; health care; education and workforce development; and the environment. The Chamber’s signature Access series connected business owners with policymakers through trips to Washington, D.C., Sacramento and L.A. City Hall. Other policy events included our monthly Accenture Pancakes & Politics breakfast speaker series, Mobility-21 Summit Coalition meetings and task forces for issues of interest. The Chamber continued distributing The Business Perspective, an influential weekly commentary on political and public issues.

“The Access trips are a very important aspect of the Chamber’s overall effectiveness. These trips not only offer our members the opportunity to meet with high ranking lawmakers and agency heads, but also allows our combined voices to communicate our region’s importance to our state’s and our nation’s economy.”

—Fran Inman, SVP Corporate Development, Majestic Realty Co.

Transportation & Goods Movement

The Chamber created an infrastructure task force and championed the “Rebuild California” infrastructure bonds (Propositions 1A through 1E) on the November state ballot. All bond propositions passed, securing $37.5 billion for critical projects – representing the largest single investment in our state’s infrastructure since the 1960s. The bond package includes:

- A constitutional amendment ensuring that state gas tax revenues are used for transportation projects and not diverted to other programs.
• $19.9 billion in funding to reduce traffic congestion, build new roads and highways, construct additional mass transit and increase security at our ports.
• $2.9 billion in financial assistance for first-time homebuyers, incentives to build affordable rental housing and shelters for homeless individuals and families.
• $10.4 billion to build new schools, upgrade existing facilities, reduce overcrowded classrooms and fund technical training programs.
• $4.1 billion to strengthen levees and fund flood control protections in the Central Valley and Sacramento-San Joaquin Delta areas.

“The Chamber amplifies my voice on the issues that matter most to me. The value of the Chamber is in the output and the input. By output, I mean that I am able to inform myself through the Chamber because it is such an important channel of information, on everything from transportation issues to water issues to business and financial issues.”

—Maria Contreras-Sweet, Managing Partner, FORTIUS Holdings LLC

Transportation & Goods Movement Committee Chair Fran Inman, Majestic Realty Co., served on the Integrating Committee during public hearings held by the State Department of Business, Transportation and Housing, which presented a plan for statewide goods movement to Gov. Schwarzenegger.

The Chamber testified before the Port of Los Angeles’ Board of Harbor Commissioners to support Burlington Northern Santa Fe Railway’s proposed Southern California International Gateway Project, which would help relieve congestion on local freeways and improve air quality throughout the region.

The Chamber’s transportation advocacy coalition with Metro and the Automobile Club of Southern California – Mobility 21 – supported SB 1026 which was adopted by the state Senate in January. The legislation will allow Metro to use the speedy design-build contracting method for the planned construction of a carpool lane on the northbound I-405 between the 10 and 101 freeways.

Business and Safety Issues
The Chamber lobbied successfully to block annual indexing of the state minimum wage by advocating a compromise agreement which will increase minimum wage by 75 cents per hour in 2007, and then another 50 cents per hour – to $8 – in January 2008. The compromise helps minimum wage earners keep up with rising costs, while giving employers the predictability needed to grow our economy and create jobs.

The Chamber helped secure a series of business tax reforms to considerably ease the tax burden on businesses in the city of L.A. These reforms, largely based on recommendations from the Chamber, entirely eliminate a city business tax for companies reporting less than $50,000 or $100,000 in sales for 2006 and 2007 respectively.

The Chamber supported Mayor Villaraigosa’s proposal for a multi-year trash fee increase – to one of the lowest trash fees in the country – to help fund the hiring of 1,000 more police officers within five years.
Governance Issues

The Chamber, working in partnership with the League of Women Voters, introduced and championed the citywide term limits and ethics reform ballot measure (Measure R) which passed in the November general election. Measure R will bring more continuity of leadership and policy by allowing councilmembers to serve for an additional 4-year term in office. Most elected officials spend the first few years in office learning the system at City Hall and then run for re-election.

Under the measure, L.A. City Councilmembers have the opportunity to serve an additional term to complete those important long-term projects that take years to bring to fruition. It also makes councilmembers less dependent on long-time staff members and lobbyists, both of which have no term limits in their service at City Hall. Measure R will also strengthen ethics rules by prohibiting campaign contributions and gifts from lobbyists.

Health Care

The Chamber and other regional health care stakeholders successfully lobbied the Los Angeles County Board of Supervisors to establish a separate Department of Public Health to help ensure that critical disease prevention and bioterrorism preparation services are delivered faster and more efficiently.

Education & Workforce Development

The Chamber formed a task force for business to weigh in on LAUSD reform and recommend specific governance and educational reforms and implementation strategies.

Chamber Board members Chris Martin, AC Martin Partners; Don Jue, IBM; and John Semcken, Pacific Palms Conference Resort, negotiated an agreement with LAUSD, the State Architect and the Governors’ office to cut the approval time for new school plans from more than nine months to less than five.

International Trade

The Chamber promotes international trade and increases awareness among L.A. businesses of opportunities in foreign markets. The International Trade division conducted several events highlighting trade and advocated on important trade issues, including:

- Advocated for a free trade agreement with several countries, including South Korea
- Supported an annual business summit with the Korean International Trade Association and the Korean American Chamber of Commerce of Los Angeles
- Hosted the 80th Annual World Trade Week, attended by more than 500 business and civic leaders, including L.A. Mayor Antonio Villaraigosa
- Offered several trade opportunity sessions providing members with information on the benefits of doing business with foreign countries and regions, including West Africa
- Hosted U.S. Ambassadors to eight nations at the One Global California Conference in L.A. Attendees heard from ambassadors to Egypt, Israel, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia and United Arab Emirates.

“The Chamber’s leaders are dynamic and focused on the future of Los Angeles—they’re pro-business, but it’s not ‘us vs. them’—it’s collaborative. I like the Chamber’s emphasis on strengthening education. That’s our future workforce, and business needs to make our schools accountable for the benefit of future generations.”

—Linda Griego, President & CEO, Griego Enterprises, Inc. and Managing General Partner Engine Co. No. 28
Leadership, Education and Workforce Development

Cash For College
The Chamber once again helped thousands of Southern California students access financial aid for college through its support of the annual Cash for College convention and workshops, which convened more than 350 financial aid experts, businesses and community-based organizations to assist high school seniors and their families in completing the required forms to access college financial aid.

Work-Ready Certification program
The Chamber certified more than 400 young adults as “work-ready,” allowing employers to identify qualified candidates through the Work Readiness Certification Program (WRC), a new program of Mayor Villaraigosa’s HIRE L.A. 18-24 campaign.

L.A. Youth at Work
The Chamber hosted an L.A. Youth at Work event in June, matching nearly 400 students with summer employment. An August job fair helped provide more than 150 students with leads for construction industry work.

Principal for a Day and Executive for a Day
More than 200 business leaders offered LAUSD school principals a look in today’s corporate workplace and in turn received an up-close view of the workings of our region’s school system during the annual Principal and Executive for a Day programs, which aim to increase mutual understanding and foster a spirit of civic involvement and commitment to L.A.’s public schools.

Southern California Leadership Network
The Southern California Leadership Network continued to train emerging community leaders on the issues shaping L.A. County and Southern California through Leadership L.A. and Leadership Southern California classes. Participants of the programs heard from top business and civic leaders in their surrounding community on issues affecting L.A. and the Southern California region. For more than 25 years, Leadership Southern California and Leadership L.A. have trained and developed a network of exemplary and diverse leaders in the business, government and community sectors who are armed with the knowledge to address critical challenges facing the Southern California region.

FOSTERING CIVIC LEADERSHIP

Leadership L.A. and Leadership Southern California

VISIONARIES OF THE YEAR. Southern California Visionaries share their insight at the annual SCLN luncheon in December. From left: Vice President of Leadership Programs Kevin Cottrell; Southern California Leader of the Year, Robert A. Eckert, Mattel, Inc.; Elected Leader of the Year, California State Assembly Speaker Fabian Núñez; Civic Leader of the Year, Peter J. Taylor, Lehman Brothers Inc. and Graduate of the Year, Maria Contreras-Sweet, PROMERICA Bank.
HELPING MEMBERS GROW

Policy Committees
The Chamber encouraged members to get involved in monthly policy committee meetings that help set the advocacy agenda for the Chamber. Hundreds of members met monthly to direct and advance the organization’s public policy and program priorities.

Industry Councils
The Chamber’s Small Business and Technology Industry councils convened during the year to bring together member companies from similar industry segments to discuss issues and concerns, and assist the Chamber in identifying programs to help their businesses grow.

VIP Receptions
The Chamber hosted several receptions for our circle of support membership level providing executive-level networking and timely discussion for business leaders.

Referral Network
The Chamber’s Referral Network met bimonthly, allowing attendees to network with other Chamber members and develop relationships to grow and develop their businesses.

Signature Events
Thousands of businesses from across the region came together through the Chamber’s annual signature events including the Inaugural Dinner, Construction Industry Awards Luncheon, World Trade Week Kick-Off Breakfast, Small Business Awards Luncheon, Golf Classic Tournament, Mobility 21 Summit and One Global California Conference.

“During my years in the entertainment industry, I benefited greatly from the Chamber’s guidance and support. Above all, I am grateful to the Chamber for not just encouraging business, but also for encouraging civic responsibility.”

—Sherry Lansing, former Paramount Pictures executive and philanthropist, upon receiving the 2006 Civic Medal of Honor

VIP RECEPTION. Chamber Board Chair David Nichols, AT&T, and President and Co-Founder of FORTIUS Holdings, LLC Maria Contreras-Sweet recognized California Highway Patrol Commissioner Michael Brown for outstanding leadership at the Chamber’s Spring VIP Reception at Caltrans.
The Chamber is one of the best investments that any business in L.A. can make for their future success. The Chamber provides access to institutions and people that create a more vibrant economy and sustainable future.

—Brandon Shamim, President, Beacon Management Group

## PROMOTING COLLABORATION

### Board of Directors
The Chamber Board includes ex officio Board members from business organizations, ethnic chambers and local chambers to expand the representation of the organization.

### Business After Hours Mixers
In collaboration with other chambers and business organizations in the county, the Chamber held bi-monthly Business After Hours mixers in various locations allowing more than 1,000 of our members to meet and develop business relationships.

### Chamber Building
The organization continued to utilize the Chamber building as a key asset. The building is fully leased and is a center for business and education. The Chamber hosted numerous news conferences and events supporting the mission of the organization and its members.

### Affordable Advertising Programs
Members increased their visibility via high-exposure advertising in the Chamber VOICE quarterly newsletter, L.A. Business This Week e-mail newsletter and Los Angeles Business, the Annual Magazine and Member Directory.

### lachamber.org
The Chamber re-launched its Web site – www.lachamber.org – to better serve as a communications resource for members and the business community. The Chamber’s updated Web site includes information about Chamber programs and events, Chamber news and publications, member information and much more.

“The Chamber is one of the best investments that any business in L.A. can make for their future success. The Chamber provides access to institutions and people that create a more vibrant economy and sustainable future.”

—Brandon Shamim, President, Beacon Management Group

## Building Community in L.A.

MIXING IT UP. Chamber members mingle at the Chamber’s Summer Business After Hours Mixer at Kidspace Children’s Museum in Pasadena.
EXECUTIVE COMMITTEE

CHAIR
David Nichols, Senior Vice President-External Affairs-California AT&T

FIRST VICE CHAIR
David Fleming, Counsel, Latham & Watkins, LLP

BOARD OF DIRECTORS

Norm Abrams, Acting Chancellor, University of Southern California, Los Angeles
Seth Aronson, Head of L.A. Office, O’Melveny & Myers LLP
Edward Avila, President, Project Restore
James D. Barber, President & CEO, Hospital Association of Southern California
Elaine Batchlor, Chief Medical Officer, L.A. Care Health Plan
George H. Benter, Vice Chairman, City National Bank
Lisa Marie Bongiovanni, VP of Corporate Communications & Government, Affairs, Mattel, Inc.
JoAnn Bourne, Executive Vice President-Corporate Deposits & Treasury, Management Group, Union Bank of California
Kathleen Brown, Managing Director, Goldman, Sachs & Co.
Bill Bryan, Vice President, Business Customer Division, Southern California Edison
Anthony J. Buzzelli, Regional Managing Partner, Pacific Southwest, Deloitte
Samuel W. Cargill, Resident Managing Director, Aon Risk Services, Inc. of Southern California
William Caswell, Vice President, Marketing, Kaiser Permanente
Bruce Choate, President & CEO, Watson Land Company
Christopher Ciano, Vice President/General Manager, Commercial Distribution, Blue Shield of California
Maria Contreras-Sweet, President, FORTIUS Holdings, LLC
Glend P. Cummings, Senior Vice President, Wells Fargo
Joseph Czyzyk, President & CEO, Mercury Air Group, Inc.
Kris H. Davis, Managing Director & Office Head, Marsh Risk & Insurance Services
Rory DeJohn, Senior Vice President & General Manager, Turner Construction Company
Ron Deaton, General Manager, Los Angeles Department of Water and Power
Jorge Delgado, President & General Manager, Univision
Brad Dinsmore, West Division Executive, Bank of America
La Donna DiCamillo, Director Government Affairs, BNSF Railway Company
Diane B. Dixon, Senior Vice President, Avery Dennison Corporation
William Fain, Managing Partner, Johnson Fain

IMMEDIATE PAST CHAIR
Christopher C. Martin FAIA, Chief Executive Officer
AC Martin Partners

PRESIDENT & CEO
Rusty Hammer, (January-June 2006)
Gary Toebben, (July-December 2007)

Kenneth H. Fearn, Managing Partner, Integrated Capital, LLC
Ronald R. Gastelum, President, D.H.N. Enterprises
Peter Griffith, Vice Chair, Ernst & Young
Karen Hathaway, President & Managing Partner, Los Angeles Athletic Club
James O. Hernandez, Managing Partner, Accenture
Walter Hill, Chairman, President & CEO, Icon Blue Inc.
Raymond W. Holdsworth, President, AECOM Technology Corporation
Janice Bryant Howroyd, Chairman & CEO, The Act 1 Group of Companies
Fran Inman, Senior Vice President, Majestic Realty Co.
Gilbert F. Ivey, Executive Vice President, Metropolitan Water District of Southern California
Jane H. Jelenko, Individual
Don Jue, V.P., Server Sales Western Region, IBM Corporation
Kevin E. Kelso, President of Personal Lines Insurance, Farmers Insurance Group of Companies
George D. Kieffer, Partner, Manatt, Phelps & Phillips, LLP
Maureen A. Kindel, President, Global Consulting Group, GCG Rose & Kindel
Daniel E. Kinney, Vice President-Operations, State Farm Insurance Companies
Richard Kline, Regional President, Fleishman-Hillard
Geraldine Knatz, Executive Director, Port of Los Angeles
Jolene Koester, President, California State University, Northridge
Timothy J. Leiveke, President & CEO, Anschutz Entertainment Group
Barry C. Levin, Chairman & CEO, Snak King Corporation
Michael D. Lizarraga, President & CEO, TELACU Industries
John F. Llewellyn, President & CEO, Forest Lawn
Michael R. Lombardi, President, Stonebridge Holdings, Inc.
Scott I. London, Partner, KPMG
Robert J. Lowe, Chairman & CEO, Lowe Enterprises, Inc.
Steve MacDonald, President, Film L.A. Inc.
Thomas L. Mack, VP and Manager of Marketing & Sales, Western U.S., Jacobs Engineering
Timothy McCAllion, President-Pacific Region, Verizon
Jim McConnell, President, SGI Construction Management
Alan McCorkle, Senior Vice President, APM Terminals Pacific, Ltd
Jamie D. McCourt, Vice Chairman & President, Los Angeles Dodgers, Inc.
Thomas J.P. McHenry, Partner, Gibson, Dunn & Crutcher LLP
James F. McNulty, Chairman & CEO, Parsons Corporation
Samson Mengistu, Assistant Executive Director, Los Angeles World Airport
Irving A. Miller, Group VP, Corporate Communications, Toyota Motor Sales, U.S.A., Inc.
Ann Muenster-Nuiry, Vice President, Operation, Municipal Services, ACS Government Solutions
Edward Muñoz, Director, Government Relations, Raytheon Company
David Murphy, Executive Vice President/General Manager, Los Angeles Times
Caroline W. Nahas, Managing Director, Southwest Region, Korn/Ferry International
Ivan K. Nikkhoo, President, SOA Software
Hilary Norton Orozco, Senior Vice President Community Development, Palmer Investments
Alfred A. Plamann, President & CEO, Unified Western Grocers, Inc.
Thomas M. Priselac, President & CEO, Cedars-Sinai Health System
Rick Richmond, Partner, Kirkland & Ellis, LLP
Daniel Rosenfeld, Principal, Urban Partners, LLC
Norman E. Ross, Jr., Individual
Alan I. Rothenberg, Chairman, 1st Century Bank
Stephen D. Rountree, President, Los Angeles Music Center
Dominick W. Rubalcava, Attorney At Law, Law Offices of Dominick Rubalcava
Steven B. Sample, President, University of Southern California
Steven Scott, General Manager, Blue Cross of California
John H. Semcken, III, Vice President, Pacific Palms Resort Robert Shannon, Individual
Robert Simcens, President, The Robert Simcens Company
Roger Snoble, Chief Executive Officer, Metro
Steve Soboroff, President, Playa Vista
R.K. (Rod) Spackman, Manager, Public and Government Affairs-LA Basin, Chevron Corporation
Howard Stern, Chief Investment Officer, Arden Realty, Inc.
Lee Stewart, Senior Vice President, Southern California Gas Company
James Thomas, President & CEO, Thomas Properties Group
Matthew A. Toledo, President & Publisher, Los Angeles Business Journal
Laura Skandera Trombley, President, Pitzer College
Carlos J. Valderrama, Director of Latin American Operations, Carlsmitth Ball, LLP
Alan B. Wayne, Regional Director, Governmental/Public Affairs, United Airlines
Charles Woo, Chief Executive Officer, Megatoys
Kenton C. Woods, Chief Executive Officer, Rose Hills Company
Robert A. Wyman, Partner, Latham & Watkins LLP
Darroch Young, Senior Vice Chancellor, Los Angeles Community College District

EX-OFFICIO

William “Bill” Allen, President & CEO, Los Angeles County Economic Development Corporation
Betsy Berkhemer Credaire, Chair, Southern California Leadership Network
David Crippens, Chair, UNITE-LA
Michele Garcia, Immediate Past Chair, Los Angeles Junior Chamber of Commerce
Barbara Glennie, President & CEO, Torrance Chamber of Commerce
Leron Gubler, President & CEO, Hollywood Chamber of Commerce
Eugene Hale, Chairman, Greater Los Angeles African-American Chamber of Commerce

Helen Han, Executive Director, NAWBO-LA
Lynne C. Hess, President & CEO, Pasadena Chamber of Commerce
Ross Hopkins, Board Member At Large, United Chambers of Commerce
Joseph Jou, President, Asian Business Association
Mark S. Liberman, President & CEO, LA INC. The Convention and Visitors Bureau
Ricardo Sarmiento, Chair, Latin Business Association
Bob Scott, Chairman, Valley Industry & Commerce Association
David Simon, President, Los Angeles Sports Council
Carlos Valderrama, Chair, World Trade Week Executive Committee
Steven W. Weston, Chairman, Central City Association
2006 COMMITTEE CHAIRS

Education & Workforce Development Committee
CHAIR: Don Jue, IBM

International Trade & Investment Committee
CHAIR: Carlos Valderrama, Carlsmitth Ball, LLP

Environmental Quality Committee
CHAIR: Robert Wyman, Latham & Watkins, LLP

Transportation & Goods Movement Committee
CHAIR: Fran Inman, Majestic Realty Co.

Health Care Committee
CHAIR: Thomas Priselac, Cedars-Sinai Health Systems

Political Action Committee
CHAIR: Rod Spackman, Chevron Corporation

Housing & Land Use Committee
CHAIR: Dan Rosenfeld, Urban Partners, LLC

INDUSTRY COUNCILS

Construction Industry Council
CHAIR: Christopher Martin, AC Martin Partners

Small Business Council
STAFF: David Eads, Senior Vice President

Entertainment Industry Business Council
STAFF: David Eads, Senior Vice President

Technology Industry Council
STAFF: Ivan Nikkhoo, Vertex Systems, Inc.

SENIOR STAFF

Gary Toebben, President & CEO (July-Dec. 2006)
Rusty Hammer, President & CEO (Jan.-June 2006)
Ron Gastelum, Executive V.P. (Jan.-June 2006)
David Eads, Senior V.P.
Noly Lallana, CFO

Kevin Cottrell, V.P. of Leadership Programs
David Rattray, V.P. of Education & Workforce Development
Marie Condron, Director of Marketing & Communications
Samuel Garrison, Director of Public Policy

2006 DIAMOND CLUB MEMBERS

[Images of logos from various companies]
2006 CIRCLE LEVEL MEMBERS

Platinum Level Members

American Airlines
Aon Risk Services, Inc. of Southern California
Automobile Club of Southern California
Blue Cross of California
The Boeing Company
Deloitte
Ernst & Young, LLP
JetBlue Airways
Los Angeles Department of Water & Power

Los Angeles Dodgers, Inc.
Los Angeles Lakers
Los Angeles World Airports
Metro
Metropolitan Water District
Nestle USA, Inc.
Occidental Petroleum Corporation
PriceWaterhouseCoopers
Ralphs Grocery Company

Raytheon Company
Siemens Corporation
Smith Barney (Division of Citigroup Global Markets, Inc.)
Transamerica Occidental Life Insurance Company
United Airlines
Vons – A Safeway Company
Watt Commercial Properties

Gold Level Members

AC Martin Partners
ACS Government Solutions
Altria Corporate Services
Avery Dennison
Bank of the West
Baxter BioScience
Casden Properties, LLC
Coca Cola Enterprises West
Comerica
Continental Airlines
ECOWAS (Economic Council of West African States) USA
FedEx Services
Forest Lawn

The Groop
The Home Depot
IBM Corporation
KeyBank
KPMG, LLP
Latham & Watkins, LLP
Marsh Risk & Insurance Services
Millennium Biltmore Hotel
NBC 4 Telemundo.
Northern Trust Bank of California, N.A.
Office Depot (# 932)
O’Melveny & Myers LLP
Rose Hills
Salesforce.com

State Compensations Insurance Fund
TELACU Industries
Union Bank of California
United Parcel Service
Univision TV, Los Angeles
US Bank
U.S. Trust Company, N. A.
Valero Energy Corporation Wilmington
Refinery
Verizon
The Walt Disney Company
Washington Mutual Bank
The Westin Bonaventure

Silver Level Members

1st PMf Bancorp
Act-1 Personnel Services
Aetna
The Aerospace Corporation
Altria
American Honda Motor Company, Inc.
American Red Cross Blood Services
Anheuser Busch, Incorporated
Anschutz Entertainment Group
Bingham Legg Advisers LLC
Blue Shield of California
Brinker International
Burson-Marsteller
The California Endowment
Catholic Healthcare West
CB Richard Ellis
CDM – Camp Dresser McKee
Cedars Sinai Health Systems
Cerrell Associates, Inc.
City National Bank
Countrywide Bank N.A.

Englander & Associates
Farmers Insurance Group of Companies
Fluor Corporation
Gibson, Dunn & Crutcher, LLP
Glendale Kia (City of Los Angeles)
Groebstein, Horwath and Company, LLP
Health Net
Hilton Hotels Corporation
Hoffmann Search, LLC
In N Out Burgers, Incorporated
Jones Day
JP Morgan Investment Management
Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center
Los Angeles Biomedical Research Institute
Los Angeles Community College District
Chancellor’s Office
Los Angeles Galaxy
Lowe Enterprises, Inc.
Mattel, Inc.
Mellon 1st Business Bank
MWH

Northrop Grumman Corporation
Palmer Investments, Inc.
Parsons Corporation
The Patina Group
RBZ, LLP
Sheppard, Mullin, Richter & Hampton, LLP
Sidley Austin, LLP
Six Flags Magic Mountain
Solomon David Capital Advisers & Co.
Squire, Sanders & Dempsey, LLP
Tarzana Treatment Centers
UCLA Anderson School of Management
Unified Western Grocers, Inc.
Union Pacific Railroad Company
URS Corporation
USC Credit Union
USI of Southern California
Vantage Learning
Vulcan Materials Company CalMat Division
Westfield Corporation, Inc.
### 2006 FINANCIALS

#### Statement of Activities
YEAR ENDED DECEMBER 2006

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<td>$159,875</td>
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<tr>
<td>Other Expenses</td>
<td>$263,854</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$4,883,451</strong></td>
</tr>
</tbody>
</table>

**Change in Net Assets**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ (85,775)</strong></td>
</tr>
</tbody>
</table>

#### Statement of Financial Position
DECEMBER 31, 2006

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$747,718</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$467,746</td>
</tr>
<tr>
<td>Other assets</td>
<td>$231,974</td>
</tr>
<tr>
<td>Property, net</td>
<td>$4,346,871</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$5,794,309</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$644,099</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>$965,398</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$1,609,497</td>
</tr>
<tr>
<td>Net assets</td>
<td>$4,184,812</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$5,794,309</strong></td>
</tr>
</tbody>
</table>

#### Functional Expenses
YEAR ENDED DECEMBER 31, 2006

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$3,076,699</td>
</tr>
<tr>
<td>Management and general</td>
<td>$1,379,336</td>
</tr>
<tr>
<td>Activities and membership development</td>
<td>$427,416</td>
</tr>
</tbody>
</table>

**Total Functional Expenses**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$4,883,451</strong></td>
</tr>
</tbody>
</table>