



VISIONS REALIZED

2007 YEAR IN REVIEW

GRAVES, DOUGHERTY, HEARON & MOODY



HELPING OUR CLIENTS TO REACH THEIR GOALS

In 2007, Graves Dougherty was gratified to help a wide range of clients realize diverse visions of growth and change, by providing them with services in a variety of practice areas.

Litigation

Last year, lawyers from Graves Dougherty's highly regarded litigation practice represented clients in matters related to issues from contract disputes to high-stakes commercial litigation. The 40 lawyers in this area include David P. Lein, who was named a shareholder in the firm in 2007; Christopher L. Elliott, who joined the firm as Of Counsel; and new associates Matthew Baumgartner* and Daniel O. Ramón.

Real Estate

Within the firm's real estate practice, Graves Dougherty lawyers in 2007 handled land acquisition and development matters for clients ranging from a rapidly growing bank to the developer of an innovative mixed-use project. Among the lawyers in this practice area is Stephen W. Butler, who was named a shareholder in the firm in 2007.

Corporate

Corporate attorneys advise clients on all matters related to structuring and operating corporations and other business entities. In 2007, these included negotiations associated with complex contracts and acquisitions. The lawyers in the firm's corporate practice include new associate John David Spiller, Jr., who joined the firm in 2007.

Estate Planning, Tax & Probate

Graves Dougherty has a large estate planning, probate and tax group. All of the attorneys in the group are Board Certified in Estate Planning and Probate Law by the Texas Board of Legal Specialization. These attorneys represent several generations of experience and have expertise in a variety of areas, enabling them to closely match their specialized knowledge with the specific needs of clients.

*Not yet licensed to practice in Texas. Licensed to practice in the District of Columbia and Maryland.



For the Lady Bird Johnson Wildflower Center, 2007 was a year of moving forward after realizing a longtime goal of merging with The University of Texas. The union joined together two of the greatest loves of Lady Bird Johnson's life shortly before she passed away last year.

A PERFECT MATCH

Ever since its days as the National Wildflower Research Center in the early 1980s, the Lady Bird Johnson Wildflower Center has worked closely with The University of Texas on projects ranging from botanical research to public education. So when the idea of making the center part of the University came up, it seemed like a perfect match.

Perfect, yes. Simple, no. Making it happen required a meticulously crafted plan to ensure that the change would be in the best interests of both institutions. Working on behalf of the center, Graves Dougherty negotiated an agreement to transfer all of its assets – including a substantial endowment – to the University. This involved navigating complex fiduciary issues, addressing critical questions of governance, and taking steps to maintain the integrity of the Wildflower Center's long-term vision in the process.

MOVING FORWARD

It took months to negotiate the terms of the merger and secure its approval by the Wildflower Center Board of Directors and the Board of Regents of The University of Texas System. A year later, the center is thriving as an Organized Research Unit of UT Austin's College of Natural Sciences and the School of Architecture. By all accounts, the result was well worth the effort.

"Becoming part of one of the nation's great universities opens up wonderful opportunities for the center's research and education programs," said Wildflower Center Executive Director Susan Rieff. On the University's side, the deans of the School of Architecture and the College of Natural Sciences concurred, citing opportunities for the connection between the two institutions to enrich and strengthen both.



"Graves Dougherty helped me bring a proposition to the Wildflower Center's governing board that made the board confident that this would be a great move for the Wildflower Center and The University of Texas – and one that would make Mrs. Johnson proud."

Susan Rieff, Executive Director
Lady Bird Johnson Wildflower Center at The University of Texas at Austin



THE MORE THINGS CHANGE...

As part of The University of Texas, the Lady Bird Johnson Wildflower Center continues to be open to the public and to be used for purposes that further its mission "to increase the sustainable use and conservation of native wildflowers, plants and landscapes." For example, the center continues to be a place for:

- Educational, outreach, research and horticultural programs that further its mission
- Native plant horticulture and research
- Developing educational materials on native plants

The center is open Tuesday through Saturday 9 a.m. to 5:30 p.m. and Sunday noon to 5:30 p.m.

During Spring Wildflower Days (mid-March through the end of April), open daily 9 a.m. - 5:30 p.m.





In Hutto, Texas, where US 79 and FM 685 intersect, lies 466 acres bisected by the new SH 130 Texas toll road. What used to be a sleepy little community that people drove past every day with barely a glance is about to become a new destination point for shopping, entertainment, tourism, and much more.

Scheduled to open in 2011, The Crossings of Carmel Creek is poised to become one of the most vibrant and innovative mixed-use developments in the greater Austin area. It will include not just retail, office and residential space, but also a wealth of amenities including dedicated public and private parkland, an amphitheater, and pedestrian-friendly paths and bridges along Carmel and Brushy Creeks.

THE FAST TRACK

For a new mixed-use development on the scale of The Crossings of Carmel Creek, the process of securing approval for the required Planned Unit Development (PUD) and Economic Development Agreement (EDA) can easily take up to two years. Working closely with the City of Hutto and attorneys from Graves Dougherty's real estate practice, ACD-GREP II Hutto Real Estate LLC got it done in eight months.

"That is really phenomenal," according to Bill Sulzbacher, managing representative for the developer. "Our attorneys really rolled up their sleeves to assist us in making it happen so quickly."

With the PUD and EDA in place to move forward, negotiations with prospective tenants and users are underway and construction is expected to begin by the end of 2008.

THE DREAM TEAM

It takes a dedicated, hard-working team of people with a dream in common to enable a project like The Crossings of Carmel Creek to come to fruition. In this case, the team includes the developer and its group of dedicated professionals, the City of Hutto, community representatives and others interested in seeing the development succeed.

One unique aspect of this interaction is an exercise in collaboration called a "charrette," in which each party shares what it would like to see in the project – the mixed use the developer envisions, the public amenities the City hopes to have, and so forth – and all come to general agreement about the shape they would like the project ultimately to take.

"Coming to agreement about what the development will ultimately be is an exercise in collaboration and cooperation. By working with legal professionals who had the respect of the other parties, we were able to do this in an expeditious manner."

Bill Sulzbacher
Managing Representative, ACD-GREP II Hutto Real Estate LLC



JOIN THE "CIRCUS"

The Crossings of Carmel Creek introduces a new meaning for the word "circus." In this development, the circus is an oblong open space within a low-speed street intersection that's intended specifically to encourage pedestrian activity. Expected to serve as a landmark for the development, the area is designed to include:

- water fountains
- shade structures
- seating
- shade trees
- lawns and landscaping

HUTTO PROJECTED POPULATION 2000-2030

2000	1,250
2006	7,500
2010	30,000+
2020	75,000
2030	125,000

A major factor fueling growth in the Hutto area is the SH 130 Texas toll road – the largest transportation project currently underway in the entire country.

Freescale Semiconductor is one of the most innovative technology companies in the world. Look inside automobiles, media players, mobile phones, washers, dryers and networking infrastructures and you'll discover Freescale intelligence and connectivity at work in the things that you see and touch every day.



A DEEP RELATIONSHIP

Graves Dougherty is honored to have developed a deep relationship with Freescale Semiconductor and its award-winning in-house legal team. Graves Dougherty has been working with John Torres, the company's senior vice president and general counsel, since before its successful spin-off from Motorola in 2004. Torres says that "I am proud of our relationship with Graves Dougherty, a firm that achieves excellence both in the practice of law and in its dedication to community."

NEW CHALLENGES, NEW SUCCESSES

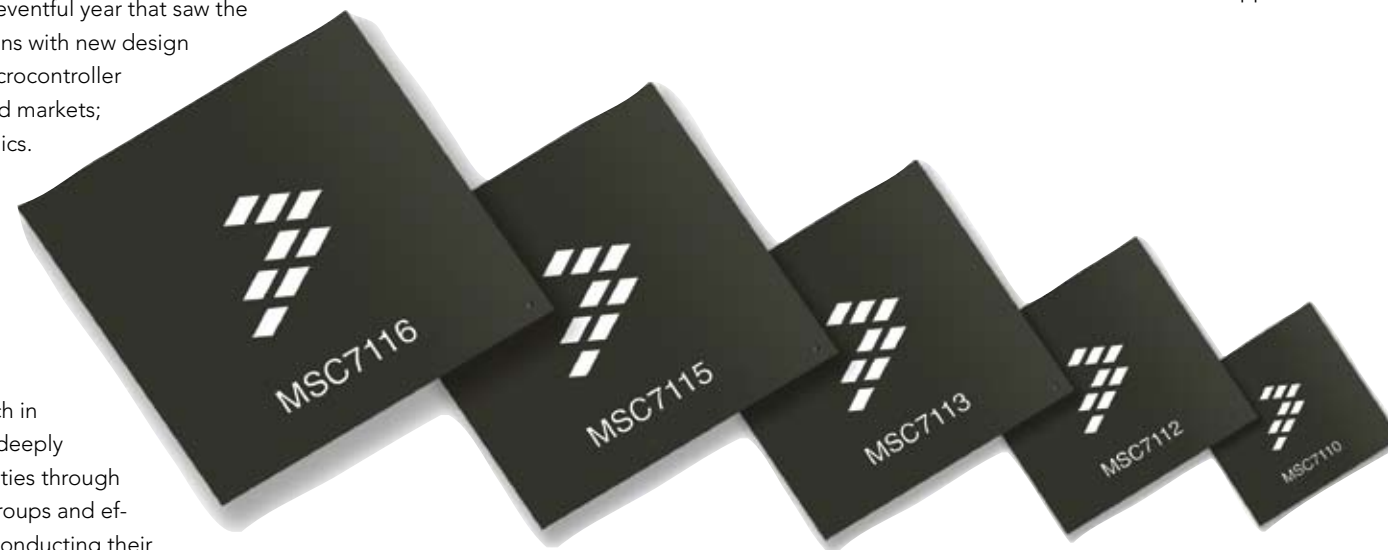
For Freescale Semiconductor, 2007 was an eventful year that saw the company expanding its worldwide operations with new design centers in India and China; adding to its microcontroller product families to serve new and expanded markets; and winning recognition for its business ethics. Graves Dougherty is a trusted resource for dealing with the wide range of legal issues that confront a fast-moving technology company like Freescale.

SHARED VALUES

Freescale and Graves Dougherty share much in common beyond the legal arena. Both are deeply committed to giving back to their communities through their support for and sponsorship of civic groups and efforts, and both place the highest value on conducting their business in a principled, ethical manner.

A DEDICATION TO ETHICS AND EXCELLENCE

In late 2007, The Foundation for Financial Services Professionals chose Freescale to be the recipient of its American Business Ethics Award. The award is given annually to companies that exemplify high standards of ethical behavior. Freescale's in-house legal department was also recently recognized for its excellence. The *Austin Business Journal* named John Torres and his legal team "Corporate Counsel Team Winner" in its "Best of Business Attorneys and Corporate Counsel" awards program.



THE FACTS ABOUT FREESCALE

- One of the world's largest semiconductor companies
- \$5.7 billion in revenues in 2007
- Operations in more than 30 countries
- More than 10,000 customers
- More than 18 billion devices shipped

"When Freescale litigates, we often turn to Graves Dougherty because we get first-rate talent, service and work product at highly competitive rates."

John Torres
General Counsel, Freescale Semiconductor



In 1997, Tim and Karrie League had a great idea for entertaining people with dinner and a movie – at the same time. The concept was an immediate hit, and last year, Graves Dougherty helped move the flagship downtown location to a historic Sixth Street theater.



PUTTIN' ON THE RITZ

The Alamo Drafthouse's move last year to its new location at the Ritz in downtown Austin was an occasion for celebration by everyone. Tim and Karrie League were thrilled to be setting up shop in a place so rich with cinema history. The owners of the property were excited about the prospect of turning what was then a nightclub back into a cinema space. And the Downtown Austin Alliance was happy to see another first-rate entertainment venue on Sixth Street.

Moving a business is always a challenge, but moving the Alamo Drafthouse was a particular challenge, due to the provisions of an agreement with the party to whom the Leagues had previously sold the enterprise's expansion rights. Graves Dougherty stepped in to negotiate the necessary permissions that would make it possible for the Drafthouse to make its move.

Counting the downtown Ritz location, the original Alamo Drafthouse Cinema owners now operate three successful properties in Austin, including the Alamo Drafthouse Lamar in south Austin and the Alamo Village in north Austin.

MADCAP PROMOTIONS AND COPYRIGHT CONSIDERATIONS

Operating an unconventional business can bring up some tricky legal issues that it's probably safe to say most others don't have to worry about.

For example, when the Leagues wanted to promote a new Will Farrell comedy about a 1970s basketball team, they decided to have everyone in the audience show up in the retro basketball uniforms worn in the movie. That meant providing the uniforms for the audience – which in turn meant having Graves Dougherty work with New Line Cinema to ensure that all the relevant licensing and copyright agreements were in order.

"Without them, we'd be in danger of doing things we don't know we can't do," says Karrie League. "They are our trusted guides."



Let Them Entertain You

Tim and Karrie League have no shortage of ideas for how to entertain Austin movie fans. Signature events at the Alamo Drafthouse include:

- Special Food-and-Film Pairings
- Celebrity Guest Appearances
- Sing-Along Extravaganzas
- Master Pancake Theater with bad movies and live comedy
- Open Screen Night when every patron brings a movie to show
- Foleyvision with live sound effects, dialogue and music
- Music Mondays, Weird Wednesdays and Terror Thursdays
- The Rolling Roadshow Tour complete with outdoor screening system

"They help us with almost everything, from negotiating business agreements to navigating licensing and copyright issues that come up."

*Karrie League
Co-Founder, Alamo Drafthouse Cinema*



RITZ TRIVIA: TALKIES & TUNA

The Ritz on Austin's Sixth Street opened as a "talking pictures" theater just before the stock market crashed in 1929. Shuttered in the 1960s, it was reborn as a live theater in 1975. (The very first performances of the now-legendary *Greater Tuna* were at the Ritz in 1982.) Now the Ritz returns to its roots in cinema as the new home of the Alamo Drafthouse.





harden healthcare

Harden Healthcare was founded in 2001 with a vision of providing complete short- and long-term care for those in need. In pursuit of that goal, it has acquired a number of specialized providers – including, in 2007, one of Texas’ largest home health companies.

HELPING HEALTHCARE SERVICES GROW

Harden Healthcare’s acquisition of Girling Health Care, a major provider of home health services in Texas since 1967, was a major accomplishment for both companies. “It’s a merger that creates a win-win for our patients who will receive the same great care they have come to expect from Girling, with broader access to services through Harden,” commented Harden CEO Lew Little upon the announcement of the acquisition.

It was also a major accomplishment for Graves Dougherty, which brought the resources of its entire corporate practice to bear on this large and complex transaction. The three-year process came to a close near the end of 2007.

Girling was one of three home-health acquisitions with which Graves Dougherty assisted Harden last year, but it was by far the largest of the transactions. Girling had over the years grown to deliver a variety of home health, personal care and hospice services to clients not just in Texas, but also in Florida, Illinois, New York, Oklahoma and Tennessee. In 2006, the company reported having 13,400 employees and \$238 million in annual revenue.

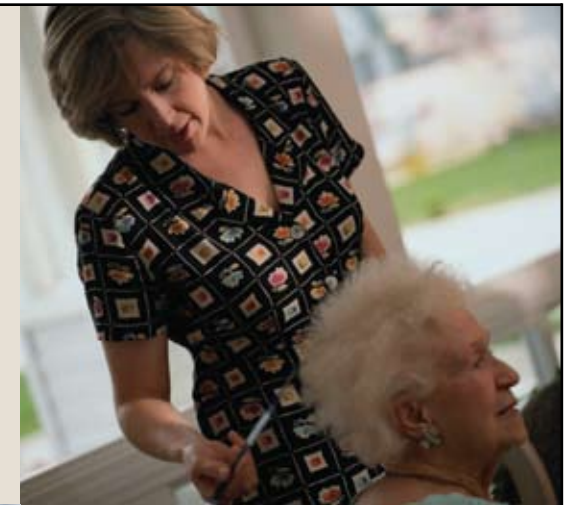
A LONG-TERM RELATIONSHIP

Although Graves Dougherty has done legal work for Harden Healthcare since Harden’s inception, the firm’s involvement has grown significantly as the healthcare company has grown. Over 2006-2007, Graves Dougherty assumed the role of primary outside counsel for the company.

Little’s relationship with Graves Dougherty actually goes back to 1984, long before the CEO was involved in founding Harden Healthcare. “When I was in banking, they helped significantly with financing work, and prior to that, they helped my company with real estate matters,” he explains. “I love the fact that they have so many ways to help you. They bring a great deal of talent to the table.”

“Harden Healthcare has grown rapidly, especially over the last three years, and Graves Dougherty has been instrumental in furthering Harden’s goals.”

Lew Little, CEO
Harden Healthcare



DID YOU KNOW?

More than half of the US population will require long-term care at some point.

One of five Americans over 50 is at risk of needing long-term care in the next 12 months.

60% of people over 75 will need long-term care and need it for approximately 3 years.



A VISION OF CARING

Harden Healthcare is dedicated to providing a complete continuum of care for seniors and others, through a holistic approach that meets a multitude of needs. The company operates multiple complementary units, including:

- TRISUN Healthcare, which manages skilled nursing and assisted-living facilities throughout Texas
- MBS Rehab and MBS Pharmacy, providers of rehabilitation services and medication services in long-term care facilities
- Lighthouse Hospice, serving the Austin and Houston areas
- Girling Health Care, including Harden home healthcare acquisitions American HomeCare and AuxHealth, serving clients in nine states



It started as a seemingly simple issue of whether an employee of Sheshunoff Management Services violated the terms of his contract. It ended up being a landmark case that Graves Dougherty argued before the Texas Supreme Court – and won.

RE-EXAMINING NON-COMPETE COVENANTS

For years, many companies have included clauses in employees' contracts requiring that the employees not compete against the employer. (For example, under this type of agreement, a top salesperson would not be able to go to work for a competitor and take the company's confidential list of top clients with him.) The enforcement and interpretation of such clauses was put to the legal test when an employee of Sheshunoff Management Services left there to work for a competitor, and Sheshunoff sued. Graves Dougherty represented the company in the case, which went all the way to the Texas Supreme Court.

The issue was whether the non-compete agreement was enforceable. The employee argued that it was not, based on his interpretation of previous rulings of the Texas Supreme Court and the Texas Court of Appeals. He argued that those rulings essentially held that an at-will employee could not be subject to a non-compete agreement.

REDEFINING THE TERMS FOR EMPLOYERS AND EMPLOYEES

Attorneys from Graves Dougherty argued Sheshunoff's case before the Texas Supreme Court and won the case for the company. Even more important, though, is the fact that the Court not only agreed to hear the case, it issued a decision that significantly clarified Texas law on the subject of non-compete covenants.

The court's ruling reversed rulings from the Austin Court of Appeals and other intermediate appellate courts that were invalidating non-compete agreements for "at-will" employees. The Texas Supreme Court correctly held non-compete agreements are enforceable against at-will employees when the employer actually performs as promised.

"When the Texas Supreme Court issued its decision in favor of Sheshunoff Management Services, it set forth a landmark opinion that employers and lawyers will use as their guide to draft and enforce non-compete agreements in Texas."

Preston Randall
Shareholder, Graves Dougherty



A Short History of Texas Non-Compete Law

- 1994 – The Texas Supreme Court states that a non-compete agreement is not enforceable unless the employer makes an enforceable promise to provide confidential information or other consideration at the time that the agreement is made.
- 2003 – The Texas Appellate Court, relying on the 1994 Supreme Court ruling, requires employers to provide employees with confidential information or other consideration at the time the agreement is executed.
- 2006 – The Texas Supreme Court holds that a non-compete covenant becomes enforceable when the employer performs the promises it made in exchange for the covenant, so long as the employer does so before the employee departs.

ABOUT SHESHUNOFF MANAGEMENT SERVICES

Sheshunoff Management Services is a leader in providing consulting expertise and advisory services to financial institutions. The firm works with institutions of all sizes to guide them through mergers and acquisitions, improve operational efficiencies, and achieve higher levels of performance and profitability.

From the Supreme
Court Decision

"...an at-will employee's non-compete covenant becomes enforceable when the employer performs the promises it made in exchange for the covenant."



Established in Laredo, Texas, in 1966, International Bank of Commerce (IBC) today has 250 branches and 400 ATMs in 100 Texas communities. Recently, the bank set its sights on expanding into Austin and Central Texas to meet growing demand for its services.

14 CENTRAL TEXAS BRANCHES AND GROWING

In constantly striving to "Do More," under the vision of Chairman Dennis Nixon and the leadership of local President Bob Barnes, IBC Bank has aggressively invested and expanded its commitment to the growth and success of IBC's customers and our communities. The bank took its first step into the Hill Country with a small start-up in Austin in 2004. Today, IBC operates 14 branches in Central Texas, with five more scheduled to open in 2008-2009. Eight of the deals for its Austin-area sites closed in 2007. It was a busy year, to say the least, for IBC and lawyers at Graves Dougherty.

According to Bob Barnes, "Graves Dougherty plays a great role as our legal counsel, from working on letters of intent and doing due diligence on new sites we are interested in acquiring, to negotiating and preparing loan documents for the lending departments of our Central Texas branch offices."

Lawyers at Graves Dougherty representing a number of areas of expertise work closely with IBC as it continues to realize its vision of serving the Austin area. The law firm's real estate and lending lawyers lead the firm's primary focus on IBC's branch acquisition, development and lending work, yet also often build teams with environmental, litigation and corporate specialists to achieve IBC's goals.

CARRYING ON A HISTORY OF COMMUNITY COMMITMENT

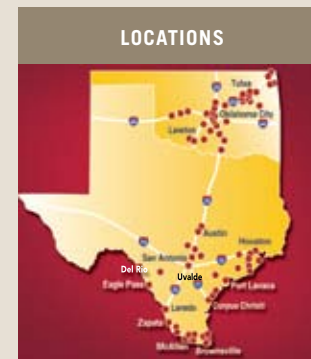
Giving back to the community is one of the values that IBC shares with Graves Dougherty. The bank's expansion into the Govalle area of East Austin, for example, represents a commitment to revitalizing the area in more ways than one. The branch there will be equipped with a training facility that doubles as a community meeting place for area residents, carrying on the bank's practice of ensuring that its facilities meet the needs of the community beyond just banking needs. In addition, IBC plans park improvements including a gazebo overlooking the shores of the Colorado River.

"We also participate in numerous community events," explains Bob Barnes, "and we have an Employee Advisory Board that determines what events the bank will participate in, whether that's walking for the local March of Dimes chapter, working in the annual Muscular Dystrophy Association (MDA) telethon, or any of a number of other events."

IBC Bank. We do more.

"Banking is about relationships – not just with customers, but with the teams that we build in doing business. And the law firm is an important part of the team."

Bob Barnes
President, IBC Austin



IBC took its first step into the Hill Country with a small start-up in Austin in 2004. Today, the bank operates 14 branches in Central Texas, with five more scheduled to open in 2008-2009.

AUSTIN TIES

IBC knew Austin and the Austin banking and real estate markets long before making the strategic decision to establish a number of branch banks in the area. IBC goes back a long way in Austin as a primary lender to one of the area's most innovative and visionary real-estate developers.

"I knew that the bank's founder, Dennis Nixon, and IBC's other leaders really knew this area and this market before they came in, unlike some banks that just show up out of nowhere," comments Graves Dougherty lawyer Rick Triplett.

"IBC has made a tremendous positive addition to Austin and has quickly become a well known and significant leader in our community," adds Graves Dougherty lawyer Steve Butler.



"The lawyers at Graves Dougherty are smart and honest and always working toward a fair and decent resolution to the matter at hand. They have integrity."

Michael Anderson, General Counsel,
Chavez Properties Partner, Airport Fast Park



A complimentary newspaper and a bottle of water come standard with every space at Austin Fast Park. It's part of a commitment to customer service that's kept the business thriving since 2002.

Most people see parking as a day-to-day necessity. Chavez Properties sees it as much more. That's what makes its Airport Fast Park service an increasingly popular alternative to on-site parking at ABIA. 2007 was a year of unprecedented expansion for the business.



IT'S NOT ABOUT PARKING, IT'S ABOUT SERVICE

Here's the choice. You can drive around an airport lot looking for a place to park, finally pull into a spot and pray it doesn't hail while you're away, and then finally walk over to the nearest shuttle stop to wait for a ride to the airport. Or you can pull into an off-airport facility and be directed straight to a covered spot, where you pull in, jump out of your car, and go right into the van that's pulled in behind you to pick you up.

Airport Fast Park was built on the idea that you'll gladly choose the latter. And that instinct has proven overwhelmingly correct in the five years since the facility started operating in Austin. Originally envisioned by the airport as a means of handling overflow parking during periods of peak demand, the service has become a preferable alternative for many travelers even when the airport lots aren't full.

PAVING THE WAY FOR CONTINUED SUCCESSFUL GROWTH

Successfully operating a business that serves a public airport facility in Austin means working closely with the City Council and Department of Aviation. Graves Dougherty has represented Chavez Properties in these dealings since Airport Fast Park began serving travelers flying through ABIA. The firm has worked to negotiate a multitude of issues for the business, from how much it pays to the city in fees to how it can expand to serve more customers.

Most recently, Graves Dougherty helped negotiate the purchase of additional acreage from a company in bankruptcy, as well as the use of the land to expand the business – a complex undertaking affected by laws concerning everything from bankruptcy oversight to open-space tax exemptions to eminent domain.

Hook 'Em!

Airport Fast Park hooks customers with free newspapers on the way in and complimentary bottled water on the way out - and now it's hooking folks with a herd of Longhorn cattle that congregate near the facilities' entry/exit area mornings and evenings. The cattle live on an unused portion of land acquired for expansion last year. The rest of the land enabled the company to add 600 new parking spots in 2007. This part provides the Del Valle chapter of Future Farmers of America with a hands-on learning opportunity in breeding and raising cattle.



After seeing thousands lose everything in the Del Rio, Texas, floods of 1998, Texas RioGrande Legal Aid (TRLA) resolved to help future disaster victims by offering whatever legal services they might need. Who could possibly object? You'd be surprised.



FEMA TURNS LEGAL AID AWAY

Among the most important resources for victims of natural disasters in the United States are the disaster recovery centers (DRCs) set up by the Federal Emergency Management Administration (FEMA). People find temporary shelter in the DRCs, as well as food, clothing and other necessities. And they can meet with public and private agencies who are on hand to provide services. The DRCs seemed like obvious places for Legal Aid to set up and provide legal advice to victims in the wake of a disaster.

FEMA welcomed legal-services volunteers to the DRCs, but with one condition: that they not advise victims of any rights to take legal action against the federal government – a condition Legal Aid found unacceptable. Ultimately, FEMA denied TRLA access to the DRCs. The organization responded the only way it felt it could: by filing a lawsuit to establish the right to enter the DRCs to provide unrestricted legal advice to those in need.

GRAVES DOUGHERTY ANSWERS THE CALL FOR ASSISTANCE

"This was a First Amendment case from the start," says TRLA Executive Director David Hall, "and that's Jim Hemphill's forte, so it was an easy decision to call him at Graves Dougherty to pick his brain. The next thing I knew, he and Bill Christian had signed on to help."

The two lawyers represented TRLA in Federal Court hearings in Austin, working closely with Hall and TRLA Director of Litigation Jerry Wesevich. A dozen witnesses testified during two days of hearings, including representatives of the State Bar of Texas and the American Bar Association. Afterward, FEMA entered into a formal agreement to retract its policy and allow Legal Aid into DRCs to counsel disaster victims on all of their legal rights, including their rights against FEMA. This agreement resolves the First Amendment issues in favor of organizations nationwide who provide free information and legal services to disaster victims.



"This establishes the foundation for a national resolution of the issue. It opens up the whole process for legal services providers around the country to participate in activities at disaster recovery centers."

David Hall
Executive Director
Texas RioGrande Legal Aid

The Case of the Hijacked Hotline

What could be worse for TRLA than not being allowed to go into a disaster recovery center and advise disaster victims of all their legal rights? How about not being allowed to get on the phone and do it, either? That was the case in mid-2007, when FEMA informed the American Bar Association that the State Bar would no longer be permitted to route calls to its legal-services hotline to TRLA. FEMA dropped the policy later that year, after TRLA's First Amendment lawsuit.



FAST FACTS ABOUT TEXAS RIOGRANDE LEGAL AID

- Established in 1970
- 3rd-largest legal aid provider in the US
- 20,000 clients annually
- 115 fulltime lawyers
- 11 Texas offices





The Health Alliance for Austin Musicians works to provide access to affordable health care for uninsured musicians in Austin. In 2007, the alliance was the beneficiary of Graves Dougherty's annual Engaging Conversation fundraising event.

BREAKING THE CYCLE

Austin is the Live Music Capital of the World, yet many professional working musicians in our area are self-employed and have no access to health insurance. Without insurance, they can't afford preventive care. And without preventive care, they're a lot more likely to become seriously ill and to require costly critical care.

The Health Alliance for Austin Musicians is out to break that cycle by helping to ensure that Austin's musicians have access to the health care services they need – especially to the prevention and wellness services that can help keep them healthy.

A LITTLE HELP FROM THEIR FRIENDS

In 2007, Graves Dougherty selected the Health Alliance for Austin Musicians to be the beneficiary of funds raised by the law firm's annual Engaging Conversations event. Engaging Conversations places guests around dinner tables hosted by some of the most accomplished and intriguing people in the country, with the entire event benefiting a different charitable organization each year. Last year, the event raised \$46,650 for the Health Alliance for Austin Musicians.

"Our city's world reputation for live music depends on the creativity and service of thousands of musicians, many of whom would have woefully inadequate healthcare resources without the good work of the alliance," said Mike McKetta, president of Graves Dougherty, after the event.

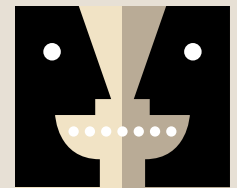
"This gift will have a long-lasting impact and will provide great benefits to our city's hard-working, professional musicians."

Richard Topfer
Chairman of the Board of Directors
Health Alliance for Austin Musicians



HOW THE MUSIC INDUSTRY CONTRIBUTES TO AUSTIN'S ECONOMY

- Generates nearly \$1 billion in economic activity annually
- Brings in more than \$25 million in local tax revenue each year
- Provides 11,200 jobs for musicians and others in the business
- Attracts tens of thousands of visitors to the Austin City Limits Music Festival and the South By Southwest Music & Media Conference



ENGAGING CONVERSATIONS BENEFICIARIES 2000-2007

- 2000 Safeplace
- 2001 CASA of Travis County
- 2002 Big Brothers Big Sisters of Central Texas
- 2003 Caritas of Austin
- 2004 St. David's Root Cause Project
- 2005 Hospice Austin
- 2006 Capital Area Food Bank of Texas
- 2007 Health Alliance for Austin Musicians

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