



For Immediate Release

ALLEGIANCE CAPITAL WINS *THE M&A ADVISOR BOUTIQUE* INVESTMENT BANK OF THE YEAR AWARD

Local Firm's Success in the Middle Market Recognized by Industry Peers and Clients

DALLAS – June 13, 2008 – Allegiance Capital Corporation, a Dallas-based full-service investment banking firm, has been named Investment Bank of the Year during the prestigious Annual Middle Market Financing Awards sponsored by *The M&A Advisor*.

A tribute to outstanding achievements in the middle market financing industry, The M&A Advisor Awards program recognizes Allegiance Capital as the top investment banking boutique in 2008. The company's extraordinary team of financial professionals, combined with exceptional work on transactions completed during the past twelve month period, was honored by colleagues, peers and clients during a black-tie awards gala in Chicago on June 9th.

The climb to the top has been short. In only ten years, David Mahmood together with David Lonsdale has transformed a small local firm into the premier boutique investment bank serving the middle market and lower middle market business sectors. By bringing on talent such as The Thompson Company's John Sloan and Terry Fick of Corporate Finance Associates, Allegiance Capital has succeeded in giving professional "Wall Street" investment banking services to mid-sized clients.

Aside from the usual hard work characteristic of most investment banking firms, Allegiance Capital's savvy management targeted a large and robust sector in the U.S. economy – the lower middle market. Representing approximately 30,000 companies with earnings ranging from \$5 -- \$40 million, giving an enterprise value of approximately \$1.5 trillion, this market is huge. "Despite tightening within the financial markets, the lower middle market is a safe haven," notes David Lonsdale, president of Allegiance Capital Corporation. "Transactions in the business sector use less leverage than larger transactions, which helps obtain financing in the current credit market."

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Within the lower middle market sector, Allegiance Capital focuses on companies with adjusted EBITDA of \$5 million or more. Through the company's ability to realize premium prices for clients – in spite of today's current economic environment, Allegiance Capital has a client base of 50 companies, and has a sign-up rate averaging one new client per week.

“Business is expected to remain strong in 2008 and beyond,” predicts David Mahmood, founder and chairman of Allegiance Capital. “Almost 60 percent of the U.S. net worth is in the hands of people aged 50 or more. And the fact is, our population is aging. Every 11 seconds, a Baby Boomer turns 60, and as the 77 million Baby Boomers and the prior generation retire, approximately 25 percent of businesses will change hands during the next 5 to 10 years.”

Allegiance Capital knows the middle market well. Most of the management within the company are seasoned Baby Boomers who have run their own businesses in the past and are familiar with the vagaries of the U.S. economic cycle. Allegiance Capital bankers also understand that today's entrepreneurs think differently, and many lack the reservations associated with selling a business that previous generations faced. “Today, people in their 50s and 60s want to cash out so they can pursue other interests or spend time with their family and loved ones for the remainder of their lives,” said Lonsdale. “These owners are confident and want to pursue other interests from new business endeavors to missionary work, travel, recreational activities or artistic pursuits.”

A strong marketing program, the ability to work with business owners in various vertical markets, coupled with Allegiance Capital's extensive international business network results in higher prices for clients. “Our peers recognize that Allegiance Capital has a solid reputation in handling complex negotiations that result in achieving premium prices for clients,” said Lonsdale. “And, we don't back away from tough deals. We search worldwide to locate the right buyer and the right price. Today, 30 percent of our business comes from international buyers.”

“If I had to summarize the reasons behind Allegiance Capital's success, I would have to say, top-tier bankers, expert market awareness, shrewd negotiation skills, stellar client service, ability to achieve high sales price and sheer tenacity,” said Mahmood. “Today, we are sitting on potential earnings of \$100 million in success fees. That is a lot of business from many satisfied clients.”

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About Allegiance Capital:

Allegiance Capital Corporation is a full-service investment banking firm specializing in the middle market (companies with revenue from \$20 million to \$500 million), with offices in Dallas, New York, Minneapolis/St. Paul, Vancouver, British Columbia, Shanghai and Tel Aviv. Through its worldwide network, Allegiance Capital assists companies in every aspect of selling and financing a business, including debt restructuring, mezzanine financing, buy out management, strategic partnering, consulting and other related services. Allegiance Capital differentiates itself by having deep industry knowledge, vast contacts with potential buyers, heavy investment in educating sellers and obtaining premium pricing for clients. For more information, refer to the company website at www.allcapcorp.com.

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