Mr. BROWN. There have been 97 violations of control out of 2,055 reported violations from August 1966 through December 31, 1967. And we are proceeding on these, too—many of them have been corrected, and the others are being divested at the present time.

The CHAIRMAN. And what percentage is that?

Mr. BROWN. You mean of the total number of violations?

The CHAIRMAN. The violations of the companies as compared with those charged.

Mr. BROWN. There were 97 violations. But I don't have the number of companies involved. There are certainly many less, because many of the SBIC's had more than one violation.

The CHAIRMAN. Hasn't this industry had an unusual amount of violations and regulatory problems, and it has had a rather bad side, so that even the stock on the market has dropped? What is the situation with respect to the market value of securities of the SBIC's today?

Mr. BROWN. Well, of course, you are right about the fact that back a couple of years ago the publicly held SBIC's went down tremendously. And during the cleanup period, of course, it continued to stay down. But I think most of the industry now feels that the market has come up greatly in the last 2 years, and they feel that even though that was a tough period to go through, in the long run, it has been healthy for the industry. And we feel like the image——

The CHAIRMAN. How many of the SBIC stocks are sold on the big board today?

Mr. BROWN. None of the big board. There is one on the American Exchange.

The CHAIRMAN. Only one going public?

Mr. MOOT. No. There are 36 public companies, but only one is on either of the boards. And that is on the American Exchange.

The CHAIRMAN. What about the regulations with respect to early warnings to SBA in case of significant capital impairment.

Mr. BROWN. Well, we wanted to make sure that none of these companies got into capital impairment situations before we knew about it. And so we have requirements for the SBIC's when they have information showing that they are reaching a point of capital impairment to give us information to that effect.

First, we go in every year and ask them and bring it up at that time. But we have required them to give us that information when they have reached the 35-percent capitally impaired point. That is just the private capital.

The CHAIRMAN. Mr. Brown, on page 18—and we are rapidly going through a review of your statement—you throw out these questions: What are the respective roles of public SBIC's, bank SBIC's, and closely held or family-type SBIC's, and specialized types?

Do you have other categories in mind?

Mr. BROWN. Well, certainly that comprises most of the total, most of the SBIC's in the program are either closely held——

The CHAIRMAN. They serve the general declared purpose of Congress but in different areas?

Mr. BROWN. That is right, Mr. Chairman.

The CHAIRMAN. Any questions, Mr. Conte?

Mr. CONTE. Do you feel, Mr. Brown, that there are sufficient rules, regulations and controls with regard to self-dealing?