And, Mr. Stults, if you want to add another representative or two of your industry, their statements may be included.

Mr. STULTS. Thank you very much.

The CHAIRMAN. And you may extend your remarks.

Mr. Mitchell has a question. The time is up.

Mr. MITCHELL. I have some submissions for the record.

I did have one question, if I may.

The Small Business Administration submitted with its statement a copy of your ethics and trade practice rules. Let me ask this question: Has your organization, NASBIC, ever disciplined a member for any reason?

Mr. STULTS. Yes, sir.

Mr. MITCHELL. Does it happen often?

Mr. STULTS. We have had two cases. In one of them, we expelled the member, and the other we disciplined and suspended his membership for a period.

Mr. MITCHELL. Have you ever referred any matter, policing matter to SBA of a member of yours, called it to their attention?

Mr. DAVIS. I personally have, one.

Mr. MITCHELL. That answers the question.

Mr. DAVIS. Mr. Chairman, could I make just two factual remarks?

The CHAIRMAN. Yes, sir.

Mr. DAVIS. In the comments that were made today there were two very brief comments that I would like to make in reference to my company. In a short analysis our company, with $1,400,000 in long-term Government funds, will have created out of four of its portfolio companies and our SBIC a tax liability for this year of $704,000, which is a 50-percent return on the Government funds that we have borrowed. Now, I have to say to you that I used to think that I was unique. But I have discovered that there are other people that are doing even better than we are. So I point to one——

The CHAIRMAN. That is a very impressive statement.

Mr. DAVIS. I think that is important in terms of a $44 million loss that someone has estimated.

The other item is with reference to the cost to the Government to create one job. We have created 604 jobs, for every thousand dollars that our SBIC has put in we have created one job, for every 2,000 the SBA has put in, one job, for a total between us, it has taken $3,000 to create one job.

The CHAIRMAN. Those are very impressive statements. And we thank you, and Mr. Stults. You can give us some statement and more information.

Mr. MITCHELL. Mr. Chairman, I would like to place in the record at this time the statement of Mr. Grogan Lord, Chairman of the National SBIC Advisory Council.

The CHAIRMAN. Without objection it will be included.

(The prepared statement of Mr. Lord referred to for inclusion in the record follows:)

STATEMENT OF GROGAN LORD, CHAIRMAN, NATIONAL SBIC ADVISORY COMMITTEE

Mr. Chairman and Members of the Committee, I appreciate your invitation to tell you something about the National SBIC Advisory Council. I am honored to serve as Chairman of that Council. I am also President of Texas Capital Corporation, a publicly-owned SBIC with headquarters in Georgetown, Texas. During