LASALLE
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Re: Docket No. R-1386

Dear Federal Reserve Board::

We understand that the U.S. Bank Regulators are reviewing the Community Reinvestment Act (CRA) with the intent of rewriting major portions of the regulations in the near future. We firmly believe that the Regulators should continue to allow banks to get full CRA credits for investing in SBICs.

LaSalle Capital Group has been investing in lower middle market companies for over 20 years and has been an SBIC fund with over $120 million of investment capital since 2005. We have invested approximately $90 million of our Fund in numerous smaller businesses that provide over 4000 jobs in communities all across America. All of our investments have been made in domestic companies. Our investment capital in part comes from banks that trusted us to invest in communities they serve. Without their investment capital, we would not be able to provide the necessary capital to fuel expansion and job growth.

One of our companies, Paramount Building Solutions located in Tempe, provides self perform janitorial cleaning services to grocery stores and other top tier retailers. Since our initial investment in this company in 2007, we have significantly grown the sales revenue from less than $20 million to over $100 million. Our growth has generated approximately 3000 jobs. These jobs include many semi-skilled and unskilled positions. Our employees are passionate about the quality of their work. Our customers recognize and praise this work ethic.

Another one of our companies, Collection Associates located in Greensburg, Indiana, is an accounts receivable management service specializing in healthcare. Collection Associates since 2007 has more than doubled in revenue and in employee growth. Greensburg is a rural community that has experienced significant unemployment in the last couple of years. Our employees are proud to associated with a growing company and are well trained and motivated to provide the best possible service to our customers.

It would be a mistake if Banks were not allowed to invest in SBICs or if full CRA credit were not allowed. SBICs invest heavily in communities that are disadvantaged or need job growth. Banks provide a heavy source of capital for SBICs to ensure that investment can made in companies to make them more competitive and successful. A successful company will ultimately provide more jobs which are sorely needed in this economy. It should be noted that for every dollar a bank invests with an SBIC, an SBIC can invest up to three dollars using SBA leverage. Banks and the communities they serve will benefit from successful SBIC investment.

Our investment team takes great pride in the fact that we are able to develop growth strategies for lower middle market companies that have been starved of capital. We are able to add governance and much needed talent to these companies. Our investment capital really makes a difference. Banks provide a steady source of capital to these companies by investing with SBICs. Without Bank investment in SBICs, there would not be nearly enough capital available to make a difference. We trust the Regulators will agree with us and see the potential for job generation with Bank investment in SBICs.

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Sincerely,

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