

STATEMENT OF NOE HINOJOSA, JR.
NOMINEE FOR DIRECTOR OF THE
SECURITIES INVESTOR PROTECTION CORPORATION

Senate Banking Committee
March 25, 2003

Good Morning.

My name is Noe Hinojosa, Jr., of Dallas, Texas, and I am honored to have been nominated by President George W. Bush to serve as a director of the Securities Investor Protection Corporation, the SIPC.

My wife, Marcia, and my children Mary Elizabeth and Noe III express their regrets for not being able to be here with me in this very important occasion due to the children's school commitments.

I was born in Brownsville, Texas and raised just across the border in Matamoros, Mexico. When I joined my partner and friend, Bob Estrada, to start our company in 1992, we had two employees, a pocket calculator and a \$300 thousand loan. Today, we have over 20 employees, over \$1 million in capital, and the finest technology available in the securities market.

I am the Vice Chairman and part owner of an investment banking firm that specializes in public finance. As a small business owner, particularly a minority small business owner, with my name on the door and my money "on the line", I am keenly aware of the need to conduct our business in an ethical and professional manner.

I am also keenly aware of the important functions that agencies, such as the SIPC, provide and as such I can assure this body, as I have assured the President, that if I am confirmed, I will work hard to maintain and promote the vital role the SIPC plays as the first line of defense for investors when a securities firm fails or declares bankruptcy.

In the past 30 years, more than 600,000 investors have recovered nearly \$14 billion in assets with the SIPC's help. That safety net for investors must remain strong and be prepared for every contingency.

I believe my unique perspective as an owner of a securities firm and an individual adds value to the policy making role I shall play as a Director. My company, Estrada Hinojosa & Co., Inc., is a member in good standing of the Municipal Securities Rulemaking Board (MSRB), the National Association of Securities Dealers (NASD), the Securities Exchange Commission (SEC), and of course, the SIPC. In fact my partner recently served as chairman of the MSRB.

Since 1992, our business plan limits our involvement in securities to the municipal bond business. Our investor base also is limited to "institutional investors," most commonly described as bond funds, bank trust departments and similar institutions. Hence, I have a good working knowledge of the responsibilities and obligations of securities firms and the great importance of compliance with all the rules and regulations placed on our industry.

In addition, I have made personal investments over the years ensuring the future security of my immediate and extended family. I can assure you I have the utmost interest in protecting the integrity of our capital markets, because without an institution such as the SIPC the "Trust" element of our financial system would be lost.

The SIPC must continue to maintain sufficient resources to handle its statutory responsibilities and to plan for every contingency in these perilous times. The SIPC must continue its investor education initiatives and its record of reliance on industry assessments rather than taxpayer assistance.

I look forward to the opportunity to serve and respectfully request your support.