

(i) 1. Own securities representing more than 45 percent of the voting stock of any franchise or technology-based business; or

2. Own an interest greater than 45 percent in any franchise or technology-based business; or

(ii) 1. Own securities representing more than 25 percent of the voting stock of any enterprise acquiring an existing business; or

2. Own an interest greater than 25 percent in any enterprise acquiring an existing business.

(2) The amount of the Authority's equity participation financing may not exceed:

(i) 1. ~~[\$100,000]~~ \$500,000 for any franchise; or

2. 45 percent of the total initial investment in the franchise;

(ii) 1. \$500,000 for any enterprise acquiring an existing business; or

2. 25 percent of the total investment in the enterprise acquiring an existing business; or

(iii) \$500,000 for a technology-based business.

~~[(3)]~~ (3) The total amount of equity participation financing disbursed may not exceed \$3,000,000 for a calendar year.]

~~[(4)]~~ (3) (i) The Authority shall find that there is a reasonable probability that the Authority will recover its initial investment and an adequate return on investment.

(ii) The Authority's investment shall be recoverable within:

1. 7 years of the equity participation financing in a franchise;

2. 7 years of the equity participation financing in an enterprise acquiring an existing business; or

3. 10 years of the equity participation financing in a technology-based business.

~~[(5)]~~ (4) The Authority's recovery shall be the greater of the current value of the percentage of the equity investment in the enterprise or the amount of the initial investment in the enterprise.

~~[(6)]~~ (5) The value of the business entity at the time of recovery shall be determined after obtaining at least 1 independent appraisal of the value from an appraiser selected from a list of at least 3 appraisers supplied by the authority.

(c) The liability of the State and of the Authority in providing equity participation financing is limited to its investments under the Program.