

(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:

(i) Exceed \$100,000 for any franchise and may not exceed 45 percent of the total initial investment in the franchise; or

(ii) Exceed \$500,000 for any enterprise acquiring an existing business and may not exceed 25 percent of the total investment in the enterprise acquiring an existing business.

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

(4) The Authority shall find that there is a reasonable probability that the Authority will recover its initial investment and an adequate return on investment, and the Authority's investment shall be recoverable within [5] 7 years of the equity participation financing in a franchise and within 7 years of the equity participation financing in an enterprise acquiring an existing business.

(5) 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) The value of the business entity at the time of recovery shall be [the average of 3 independent appraisals of the value] DETERMINED AFTER OBTAINING AT LEAST 1 INDEPENDENT APPRAISAL OF SUCH THE VALUE FROM AN APPRAISER SELECTED FROM A LIST OF AT LEAST 3 APPRAISERS SUPPLIED BY THE AUTHORITY.

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

(d) When applying to the Authority to acquire an existing business, an enterprise shall have the following minimum qualifications:

(1) The enterprise or its principals shall have a minimum net worth of at least \$75,000 pledged as security; and

(2) The enterprise or its principals shall have HAD 3 or more years of successful experience with demonstrated achievements and management responsibilities.

(e) When being acquired, the existing business shall meet the following minimum qualifications:

(1) The existing business shall [be] HAVE BEEN in existence for at least 5 years;