

MICHIGAN STRATEGIC FUND ACT (EXCERPT)
Act 270 of 1984

125.2061 Definitions.

Sec. 61.

As used in this chapter:

(a) "MESBIC" means a small business investment company licensed under section 301(d) of the small business investment act of 1958, 15 U.S.C. 681(d).

(b) "Minority" means a person who is black, hispanic, oriental, eskimo, or an American Indian.

(c) "Minority owned business" means a business which is at least 50% owned, controlled, and managed by minorities.

(d) "Minority venture capital company" means a business which makes investments solely in minority owned businesses.

(e) "Venture capital investment" means any of the following investments in a business:

(i) Common or preferred stock and equity securities without a repurchase requirement for at least 5 years.

(ii) A right to purchase stock or equity securities.

(iii) Any debenture or loan, whether or not convertible or having stock purchase rights, which are subordinated, together with security interests against the assets of the borrower, by their terms to all borrowings of the borrower from other institutional lenders, and that is for a term of not less than 3 years, and that has no part amortized during the first 3 years.

(iv) General or limited partnership interests.

History: 1984, Act 270, Eff. Mar. 29, 1985

Popular Name: Strategic Fund