§ 53A-37. Definitions.

The following definitions apply in this Article:

(1) Business. A corporation, partnership, association, or sole proprietorship operated for profit.

(2) Equity security. Common stock, preferred stock, an interest in a partnership, subordinated debt, or a warrant that is convertible into, or entitles the holder to receive upon its exercise, common stock, preferred stock, or an interest in a partnership.

(3) Mezzanine finance. An investment in the equity securities or subordinated debt of a Qualified North Carolina Business.

(4) Qualified North Carolina Business. A business whose headquarters and principal business operations are located in North Carolina and which, together with its affiliates on a consolidated basis, had gross income during the immediately preceding fiscal year, determined in accordance with generally accepted accounting principles without taking into account extraordinary items, of less than forty million dollars ($40,000,000).

(5) Rural areas. Any county in North Carolina which does not include within its boundaries a city, as defined by G.S. 160A-1(2), with a population greater than one percent (1%) of the population of North Carolina.

(6) Security. A security as defined in G.S. 78A-2(11).

(7) Subordinated debt. Indebtedness that is or will be subordinated to other indebtedness of the issuer. Subordinated debt may be convertible into common stock, preferred stock, or an interest in a partnership.

(8) Traditional Financial Institutions. Corporations or associations chartered under Chapters 53 or 54B of the General Statutes. (1987 (Reg. Sess., 1988), c. 882, s. 1.)