

**Subpart K—Ending Operations as a Licensee**

107.1900 Surrender of license.

**Subpart L—Miscellaneous**

107.1910 Non-waiver of SBA's rights or terms of Leverage security.

107.1920 Licensee's application for exemption from a regulation in this part 107.

107.1930 Effect of changes in this part 107 on transactions previously consummated.

AUTHORITY: 15 U.S.C. 681 *et seq.*, 683, 687(c), 687b, 687d, 687g and 687m.

SOURCE: 61 FR 3189, Jan. 31, 1996, unless otherwise noted.

**Subpart A—Introduction to Part 107**

**§ 107.20 Legal basis and applicability of this part 107.**

(a) The regulations in this part implement Title III of the Small Business Investment Act of 1958, as amended. All Licensees must comply with all applicable regulations, accounting guidelines and valuation guidelines for Licensees.

(b) Provisions of this part which are not mandated by the Act shall not supersede existing State law. A party claiming that a conflict exists shall submit an opinion of independent counsel, citing authorities, for SBA's resolution of the issues involved.

**§ 107.30 Amendments to Act and regulations.**

A Licensee shall be subject to all existing and future provisions of the Act and parts 107 and 112 of title 13 of the Code of Federal Regulations.

**§ 107.40 How to read this part 107.**

(a) *Center Headings.* All references in this part to SBA forms, and instructions for their preparation, are to the current issue of such forms. Center headings are descriptive and are used for convenience only. They have no regulatory effect.

(b) *Capitalizing defined terms.* Terms defined in § 107.50 are capitalized in this part 107.

(c) The pronoun "you" as used in this part 107 means a Licensee or license applicant, as appropriate, unless otherwise noted.

**Subpart B—Definition of Terms Used in Part 107**

**§ 107.50 Definition of terms.**

*Accumulated Prioritized Payments* has the meaning set forth in § 107.1520.

*Act* means the Small Business Investment Act of 1958, as amended.

*Adjustments* has the meaning set forth in § 107.1520.

*Affiliate* or *Affiliates* has the meaning set forth in § 121.103 of this chapter.

*Articles* mean articles of incorporation or charter for a Corporate Licensee and the partnership agreement or certificate for a Partnership Licensee.

*Assistance* or *Assisted* means Financing of or management services rendered to a Small Business by a Licensee pursuant to the Act and these regulations.

*Associate* of a Licensee means any of the following:

(1)(i) An officer, director, employee or agent of a Corporate Licensee;

(ii) A Control Person, employee or agent of a Partnership Licensee;

(iii) An Investment Adviser/Manager of any Licensee, including any Person who contracts with a Control Person of a Partnership Licensee to be the Investment Adviser/Manager of such Licensee; or

(iv) Any Person regularly serving a Licensee on retainer in the capacity of attorney at law.

(2) Any Person who owns or controls, or who has entered into an agreement to own or control, directly or indirectly, at least 10 percent of any class of stock of a Corporate Licensee or a limited partner's interest of at least 10 percent of the partnership capital of a Partnership Licensee. However, a limited partner in a Partnership Licensee is not considered an Associate if such Person is an entity Institutional Investor whose investment in the Partnership, including commitments, represents no more than 33 percent of the partnership capital of the Licensee and no more than five percent of such Person's net worth.

(3) Any officer, director, partner (other than a limited partner), manager, agent, or employee of any Associate described in paragraph (1) or (2) of this definition.