

NEBRASKA ADMINISTRATIVE CODE

TITLE 48 - DEPARTMENT OF BANKING AND FINANCE

Chapter 2 - DEFINITIONS

001 GENERAL.

001.01 This Rule has been promulgated pursuant to authority delegated to the Director in Section 8-1120(3) of the Securities Act of Nebraska ("Act").

001.02 The Department has determined that this Rule relating to definitions be applied to Title 48 of the Nebraska Administrative Code, unless otherwise specified therein. This Rule is consistent with investor protection and is in the public interest.

002 DEFINITIONS. The following words and terms have the meanings set forth below unless the context clearly indicates otherwise.

002.01 Affiliate means a person who, directly or indirectly, controls, is controlled by, or is under common control with a person as defined herein.

002.02 Control means the power to direct or influence the direction of the management or policies of a person, directly or indirectly, through the ownership of voting securities, by contract or otherwise. A presumption of control exists for any person who

002.02A Is a director, general partner, member, manager, or officer exercising executive responsibility (or has similar status or function);

002.02B Has the right to vote twenty percent or more of a class of voting securities; or

002.02C In the case of a partnership or limited liability company, has contributed or has the right upon dissolution twenty percent or more of the capital.

002.03 Department means the Department of Banking and Finance.

002.04 Director means the Director of Banking and Finance of the State of Nebraska, unless otherwise specified.

002.05 Equity securities include shares of common stock or similar securities, convertible securities, warrants and options or rights that may be converted into or exercised to purchase, shares of common stock or similar securities.

002.06 Person means an individual, a corporation, a limited liability company, a partnership, an association, a joint-stock company, a trust in which the interests of the beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government.

002.07 Promoter includes:

002.07A A person who, alone or in conjunction with one or more persons, directly or indirectly, took the initiative in founding or organizing the issuer or controls the issuer;

002.07B A person who, directly or indirectly, receives, as consideration for property or for services rendered, five percent or more of any class of the issuer's equity securities or five percent or more of the proceeds from the sale of any class of the issuer's equity securities; or

002.07C A person who:

002.07C1 Is an officer or director of the issuer;

002.07C2 Is the legal or beneficial owner, directly or indirectly, of five percent or more of any class of the issuer's equity securities; or

002.07C3 Is an affiliate or an associate of a person specified in this subsection.

002.07D Promoter does not include:

002.07D1 A person who receives securities or proceeds solely as underwriting compensation unless that person otherwise comes within the definition of Section 002.7, above; or

002.07D2 An unaffiliated institutional investor, who purchased the issuer's equity securities more than one year prior to the filing date of the issuer's registration statement. An unaffiliated institutional investor, who purchased the issuer's equity securities on an arm's-length basis within one year prior to the filing date of the issuer's registration statement may, at the Director's discretion, be excluded from the definition of promoter.