

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA**

Effective March 24, 2005

Advisory Opinion No. CAP-01-05

QUALIFIED TECHNOLOGY FUND ADVISORY OPINION

PURPOSE:

To provide guidance as to whether an investment in a qualified technology fund is considered the equivalent of an investment in a qualified Louisiana technology-based business.

TO WHOM THIS OPINION APPLIES:

All certified Louisiana capital companies.

BACKGROUND:

Inquiries have been made to this office regarding whether an investment in a qualified technology fund is considered the equivalent of an investment in a qualified Louisiana technology-based business for purposes of LSA-R.S. 51:1926(A)(1) and (2).

SPECIFICS:

LSA-R.S. 51:1926(A)(1) and (2) require that a certified Louisiana capital company make qualified investments, with a portion of those investments being made in qualified Louisiana technology-based businesses. Pursuant to LSA-R.S. 51:1923(16)(b), a qualified technology fund is required to make all of its investments in qualified Louisiana technology-based businesses. Furthermore, LAC 10:XV.331(D) provides that an investment in a qualified technology fund constitutes a qualified investment for purposes of LSA-R.S. 51:1926(A)(1) and (2) at the time the investment is made into the qualified technology fund. Therefore, an investment in a qualified technology fund will count towards the certified Louisiana capital company investment pool's requirement to invest directly in qualified Louisiana technology-based businesses for purposes of LSA-R.S. 51:1926(A)(1) and (2) at the time the investment is made into the qualified technology fund. Please note that said investment is a pass-thru investment and will only count once is assessing the investment pool's overall compliance with Section 1926(A)(1) and (2).



Commissioner of Financial Institutions