



# GLOSSARY:

## *RETAIL TERMS, SIMPLIFIED*

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Navigate the retail landscape with confidence. Our glossary breaks down industry terms, acronyms, and concepts so you can learn faster and make informed decisions. This list is not exhaustive. If you have a term you would like added, please email it to [info@sponsorgrowthsolutions.com](mailto:info@sponsorgrowthsolutions.com).

### LEGAL & COMPLIANCE

**Private Placement Memorandum (PPM):**

A legal document that outlines the terms, risks, and structure of a private investment offering.

**Operating Agreement:**

Governs the internal operations of an LLC, including management roles and member rights.

**Subscription Documents:**

Forms used by investors to subscribe to a private offering, including investor representations and suitability information.

**Form D:**

A required SEC filing for Regulation D offerings.

**Blue Sky Filings:**

State-specific securities registrations required for offerings sold within each state.

**AML/KYC (Anti-Money Laundering / Know Your Customer):**

Regulatory processes designed to verify investor identity and source of funds.

**Public Company Accounting Oversight Board (PCAOB):**

A nonprofit corporation established by Congress to oversee the audits of public companies and broker-dealers, ensuring accuracy and independence of audit reports.

**Offering & Organizational (O&O) Expenses:**

Costs associated with forming and launching an investment program, including legal, accounting, marketing, and due diligence expenses incurred before and during the offering. Regulations often cap O&O expenses as a percentage of total capital raised.

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### DUE DILIGENCE & OVERSIGHT

**Third-Party Due Diligence Firm:**

Provides independent review of a sponsor and/or offering—typically required by independent broker-dealers and certain IRAs to assess suitability for their platforms.

**FINRA (Financial Industry Regulatory Authority):**

A self-regulatory organization that oversees broker-dealers and registered representatives in the U.S.

**SEC (Securities and Exchange Commission):**

The Federal agency responsible for enforcing securities laws and regulating markets, issuers, and investment advisers.

**Managing Broker-Dealer (MBD):**

A FINRA-registered firm providing compliance oversight and regulatory infrastructure for retail distribution.

**Broker-Dealer (BD):**

A FINRA-registered firm that supervises registered representatives and facilitates the buying and selling of securities.

**RIA (Registered Investment Adviser):**

An entity or individual registered with the SEC or state to provide investment advice, typically on a fee-based or assets-under-management (AUM) model.