

## Risk Control Assessment Glossary\*

Term	Definition
<b>1031 Tenancy in Common</b>	A form of real estate asset ownership in the United States in which two or more persons have an undivided, fractional interest in the asset, where ownership shares are not required to be equal, and where ownership interests can be inherited.
<b>529 Plans</b>	A program established by a state as a “qualified tuition program” pursuant to Section 529 of the Internal Revenue Code. Under a 529 college savings plan, a person may make contributions to an account established for the purpose of meeting the qualified higher education expenses of the designated beneficiary of the account.
<b>Aggregation Units</b>	Historically, a multi-service broker-dealer was considered one entity, so all of its positions were aggregated to determine the firm’s net position. However, firmwide aggregation often interfered with the trading of independent units within the broker-dealer (multiple trading desks). In response, the SEC issued no-action relief that allows multi-service broker-dealers to aggregate their positions within defined trading units. This is codified as SEC Rule 200(f). Each unit is known as an “aggregation unit.”
<b>Algorithms</b>	A set of rules generated by computer-based decision making for order initiation, generation, routing, or execution for individual transactions without human direction.
<b>Alternative Trading System</b>	A trading system operated by a firm that is not regulated as an exchange, but is a venue for matching the buy and sell orders of its subscribers. Commonly referred to publicly as “Dark Pools.”
<b>Anti-Spyware Software</b>	A program that specializes in detecting both malware and non-malware forms of spyware.
<b>Anti-Virus Software</b>	A program that monitors a computer or network to identify all major types of malware and prevent or contain malware incidents.
<b>Application Firewall</b>	A hardware/software capability that limits access between networks and/or systems in accordance with a specific security policy.
<b>Asset-Backed Commercial Paper (ABCP)</b>	Short-term debt secured by assets.
<b>Asset-Backed Securities</b>	A financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities.
<b>Auction Rate Securities</b>	A debt security for which the interest rate resets on a periodic basis through an auction process. The typical auction process is one referred to as a Dutch auction in which securities are sold at the lowest interest rate, or “clearing rate,” at which all of the securities that have been offered for sale by current holders of the securities will clear the market.
<b>Automated Investment Advice Solution</b>	An interactive technological tool that produces simulations and statistical analyses to demonstrate the likelihood of various investment outcomes if certain investments are made or certain investment strategies or styles are undertaken, thereby serving as an additional resource to help investors evaluate the potential risks and returns of investment choices.

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<b>Baby Bonds</b>	Fixed income securities issued in small denominations, generally with a maximum face value of \$5,000.
<b>Branch</b>	A distribution channel where a branch (as defined in NASD Rule 3010) network is used to interface with customers.
<b>Business Development Companies</b>	A category of closed-end funds that are operated for the purpose of making investments in small and developing businesses and financially troubled businesses.
<b>Certificates of Deposit (CD)</b>	A FDIC-insured savings certificate issued by a bank to a depositor for a specified length of time. The bank pays a predetermined interest rate to the depositor for the duration of the CD.
<b>Clearing</b>	The practice of handling clearance and settlement activities for the firm itself or performing clearing activities for correspondents.
<b>Closed-End Funds</b>	An investment company that issues shares like any other corporation and usually does not redeem its shares. A closed-end fund is a publicly traded fund sold on stock exchanges or over the counter that may trade above or below its net asset value.
<b>Closed-End Mutual Funds (CEF)</b>	A type of investment company whose shares are traded on the open market and invests in a portfolio of securities and is typically managed by an investment management firm. CEFs are closed, in the sense that capital does not regularly flow into them when investors buy shares, and it does not flow out when investors sell shares.
<b>Collateral Transformation</b>	The practice of offering cash for collateral to companies and/or funds in exchange for less liquid securities.
<b>Collateralized Debt Obligations</b>	A type of asset-backed security that uses a portfolio of bonds or loans with varying levels of default risk as collateral.
<b>Collateralized Loan Obligations</b>	A security backed by a pool of commercial or personal loans, structured so that there are several classes of bondholders with varying maturities, called tranches.
<b>Commercial Mortgage-Backed Securities</b>	Securities collateralized by a pool of mortgages on commercial real estate in which all principal and interest from the mortgages flow to certificate holders in a defined sequence or manner.
<b>Commercial Paper</b>	An unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper rarely range any longer than 270 days. The debt is usually issued at a discount, reflecting prevailing market interest rates.
<b>Commodities Futures Funds</b>	A fund that holds commodity-linked derivative instruments (futures).
<b>Commodity Swaps</b>	A swap in which exchanged cash flows are dependent on the price of an underlying commodity.
<b>Commodity-Linked Notes</b>	A structured product that pays a return linked to the performance of a commodity or basket of commodities over a defined period. On the maturity date, the note pays the initial principal amount plus return, if any, based on the percentage change in the underlying commodity (or basket).
<b>Corrective</b>	Controls that are designed to correct errors or irregularities that have been detected.
<b>Correspondent Clearing</b>	The practice of servicing non-clearing broker-dealers by comparing and settling the correspondent's contra broker trades.

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<b>Credit Default Swaps (CDS)</b>	A credit derivative contract between two parties where the buyer makes periodic payments (over the maturity period of the CDS) to the seller in exchange for a commitment to a payoff if a third party defaults. Generally used as insurance against default on a credit asset, but can also be used for speculation.
<b>Credit-Linked Notes</b>	A structured product linked to an underlying index.
<b>Currency Swaps</b>	An agreement to swap a series of specified payment obligations denominated in one currency for a series of specified payment obligations denominated in a different currency (usually fixed for fixed).
<b>Custodian</b>	A financial institution that holds customers' securities for safekeeping so as to minimize the risk of their theft or loss.
<b>Cyber Insurance</b>	Insurance designed to mitigate losses from a variety of cyber incidents, including data breaches, business interruption, and network damage.
<b>Dark Pool</b>	See "Alternative trading system." Synonymous with ATS. An ATS is commonly called a dark pool on account of its access being restricted to its subscribers. As such, it is "dark" to non-subscribers.
<b>Data Encryption</b>	The process of changing plain text into cipher text for the purpose of security or privacy.
<b>Denial-of-Service</b>	An attack that prevents or impairs the authorized use of networks, systems or applications by exhausting resources.
<b>Detective</b>	Controls that are designed to detect errors or irregularities that may have occurred.
<b>Direct Market Access</b>	This refers to electronic facilities that give investors a way to interact directly with the order book of an exchange.
<b>Direct Participation Plans (DPPs)</b>	A business venture designated to let investors participate directly in the cash flow and tax benefits of the underlying investment.
<b>Discount Brokerage Retail Customer</b>	A retail customer receiving limited services at significantly lower fees from a discount brokerage.
<b>Discount Retail Brokerage</b>	The practice of offering limited services to individual investors at significantly lower fees. Discount brokerages typically allow clients to trade online while offering comparatively fewer services and/or support.
<b>DVP/RVP</b>	A settlement system that stipulates that cash payment must be made prior to or simultaneously with the delivery of the security. DVP (delivery versus payment) is from the buyer's perspective, RVP (receive versus payment) is from the seller's perspective.
<b>Electronic Communications Network (ECN)</b>	An electronic system that disseminates information to interested parties about the orders entered into the network and allows these orders to be executed. ECNs internally match buy and sell orders or represent the highest bid prices and lowest ask prices on the open market.
<b>Electronic Connection</b>	Any connection that allows a firm to transmit orders directly to the firm's order management system. Any example would be by a FIX connection.
<b>Equity Indexed Annuities</b>	An insurance company product purchased either in a lump sum or with a series of payments. The insurance company credits the holder with a return that is based on performance of an equity index, such as the S&P 500 Composite Stock Price Index. The insurance company may guarantee a minimum return. After the accumulation period, the insurance company makes periodic payments under the terms of the contract or in a lump sum.
<b>Equity-Linked Notes</b>	A structured product linked to an underlying index.
<b>Execution</b>	The completion of a buy or sell order for a security.

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<b>Exchange Non-Floor Broker</b>	Firms that execute transactions away from an exchange floor on behalf of the firm's clients and other broker/dealers.
<b>Exchange-Traded Funds (ETF)</b>	A basket of stocks similar to an index mutual fund. The ETF can be traded within the day, can be shorted and purchased on margin (and options even exist on some ETFs).
<b>Exchange-Traded Notes</b>	Unsecured, unsubordinated debt securities that are traded on an exchange and offer returns based on the performance of a market index upon maturity. As they are issued by an underwriting bank, their value also depends on the credit rating of the issuer.
<b>Exploitation of a User's Social Network Profile</b>	The process of attempting to trick someone into revealing information (e.g., a password) or performing certain actions, such as downloading and executing files that appear to be benign but are actually malicious.
<b>External Penetration Testing</b>	The act of mimicking the action of an attacker exploiting weaknesses in the network security.
<b>Financial Planning</b>	The practice of providing financial planning services.
<b>Financing</b>	The act of providing funds for business activities, making purchases or investing.
<b>Fixed Annuities</b>	Contracts in which an insurance company or issuing financial institution pays a fixed dollar amount of money per period.
<b>Floor Broker</b>	Firms that execute transactions on an exchange floor on behalf of the firm's clients and other broker/dealers.
<b>Foreign</b>	Located and/or domiciled outside of the United States.
<b>Foreign Exchange-Linked Notes</b>	A type of currency-linked note that pays a return linked to a foreign exchange market or a select basket of currencies.
<b>Foreign Sovereign Debt</b>	Bonds issued by a national government in a foreign currency.
<b>Forensic Tools</b>	Tools used for a computer forensics investigation. Typical forensic analysis includes a review of material on the media, reviewing the Windows registry for suspect information, discovering and cracking passwords, keyword searches for topics related to the crime, and extracting email and pictures for review.
<b>Forwards</b>	A contract that specifies the price and quantity of an asset to be delivered in the future. Forward contracts are not standardized and are traded over the counter.
<b>Full-Service Retail Brokerage</b>	The practice of providing a large variety of services to individual investors, including trade execution, research and advice, retirement planning, tax tips, etc.
<b>Full-Service Retail Customer</b>	A retail customer receiving a large variety of services from a full-service retail brokerage, including trade execution, research and advice, retirement planning, tax tips, etc.
<b>Fund of Funds</b>	An investment company that acquires securities issued by any other investment company registered under the 1940 Act in excess of the amounts permitted under paragraph (A) of Section 12(d)(1) of the 1940 Act.
<b>Futures</b>	A legally binding agreement to buy or sell a commodity or financial instrument in a designated future month at a price agreed upon at the initiation of the contract by the buyer and seller. Futures contracts are standardized according to the quality, quantity, and delivery time and location for each commodity or financial instrument.

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<b>Hedge Fund Management</b>	Firms that manage a portfolio of investments that employ advanced strategies including, but not limited to leveraged, long, short and derivative positions in both domestic and international markets with the goal of generating absolute returns or returns over a particular benchmark.
<b>Hedge Funds</b>	Hedge funds are organized by professional investment managers who frequently have a significant stake in the funds they manage and receive a management fee that includes a substantial share of the performance of the fund. Hedge funds do not make public offerings of their securities.
<b>Held Customer Orders</b>	An order that must be executed without hesitation (hit the bid or take the offer in line) or if the stock can be bought or sold at that price (held limit order) in sufficient quantity.
<b>High-Frequency Trading</b>	A form of automated trading that employs algorithms for decision-making, order initiation, generation, routing or execution for each individual transaction without human direction. This form of trading utilizes low-latency technology designed to minimize response times, and high-speed connections to markets for order entry.
<b>High-Net-Worth Brokerage</b>	The practice of offering premium financial services to high-net-worth individuals.
<b>High-Net-Worth Retail Customer</b>	A retail customer with a high net worth, typically defined as having investable financial assets in excess of \$1 million USD.
<b>High-Yield Corporate Debt</b>	Corporate bonds that are below investment grade, commonly defined as bonds receiving a Standard & Poor's (S&P) rating below BBB or a Moody's rating below Baa. Therefore, a fund using the term "high-yield" in its name generally must have a policy to invest at least 80 percent of its assets in bonds that are below investment grade.
<b>Illiquid or Hard-to-Price</b>	The state of a security or other asset that cannot easily be sold or exchanged for cash without a substantial loss in value. Illiquid assets also cannot be sold quickly because of a lack of ready and willing investors or speculators to purchase the asset.
<b>Inactively Traded Securities</b>	Any national market system security that did not average more than five reported transactions per trading day, as disseminated pursuant to an effective transaction reporting plan, for each of the preceding six months (or such shorter time that the security has been designated a national market system security).
<b>Indications of Interest (IOIs)</b>	Non-firm expressions of trading interest that contain one or more of the following elements: security name, side, size, capacity and/or price. Firms have the ability to communicate or advertise proprietary or customer trading interest in the form of IOIs to the marketplace through their own systems or several service providers that disseminate the information to subscribers and/or the marketplace.
<b>Institutional Brokerage</b>	The practice of conducting a brokerage business with institutional customers, including corporations, mutual funds, trusts and other institutions.
<b>Institutional Customer</b>	Financial institutions such as pension funds, money managers and insurance companies, that invest large amounts in financial markets on behalf of their clients.
<b>Integrated Voice Response (IVR)</b>	An automated telephone information system that speaks to the caller with a combination of fixed voice menus and data extracted from databases in real time. The caller responds by pressing digits on the telephone or speaking words or short phrases.

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<b>Interest Rate Swaps</b>	A binding agreement between counterparties to exchange periodic interest payments on some predetermined dollar principal, which is called the notional principal amount. For example, one party will pay fixed and receive variable.
<b>Interest Rate-Linked Notes</b>	A structured product that pays their return based upon the movement of an interest rate index such as LIBOR, Constant Maturity Treasury (CMT) rates, Constant Maturity Swap (CMS) rates, Fed Funds, or Treasury securities.
<b>Intermediary for Foreign Brokers</b>	The practice of acting as an intermediary for foreign brokers which have both domestic and foreign offices.
<b>Internal Penetration Testing</b>	The act of mimicking the action of what an insider attack could accomplish.
<b>Intrusion Prevention System</b>	System(s) that can detect an intrusive activity and can also attempt to stop the activity, ideally before it reaches its targets.
<b>Inverse Exchange-Traded Funds</b>	Inverse ETFs (also called “short” funds) seek to deliver the opposite of the performance of the index or benchmark they track.
<b>Investment Advisory Services</b>	The practice of providing investment advisory services.
<b>Investment Banking Adviser</b>	An individual or a firm that provides advice about investment banking products and services to clients.
<b>Investment Grade Corporate Debt</b>	A bond that is assigned a rating in the top four categories by commercial credit rating companies. S&P classifies investment-grade bonds as BBB or higher, and Moody’s classifies investment-grade bonds as Baa or higher.
<b>Investment-Related Outside Business Activities</b>	Any business activity outside the scope of an individual’s relationship with his or her member firm. These activities are considered to be investment related if they directly or indirectly involve investments or the securities industry.
<b>Leveraged Exchange-Traded Funds</b>	Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track.
<b>Leveraged Loan Financing</b>	Loans extended to companies or individuals that already have considerable amounts of debt. Lenders consider leveraged loans to carry a higher risk of default and, as a result, a leveraged loan is more costly to the borrower.
<b>Leveraged Loan Products</b>	Debt from companies with below investment-grade credit ratings. Leveraged loans are typically secured with a lien on the company’s assets and are generally senior to the company’s other debt.
<b>Life Settlement/Viaticals</b>	A financial transaction in which a policy owner sells an existing life insurance policy to a third party for more than the policy’s cash surrender value, but less than the net death benefit.
<b>Limits</b>	Thresholds that restrict the amount of exposure that an individual trader or group of traders can take with respect to individual risks (i.e. credit, counterparty credit, total market exposure, etc.).
<b>Lines of Credit</b>	An arrangement between a financial institution, usually a bank, and a customer that establishes a maximum loan balance that the bank will permit the borrower to maintain. The borrower can draw down on the line of credit at any time, as long as he or she does not exceed the maximum set in the agreement.
<b>Liquidity Provider</b>	Liquidity providers are market makers that enter into arrangements with other firms under which they may send orders or provide liquidity to the other firm’s ATS.

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<b>Listed Equities</b>	A stock or any other security representing an ownership interest that sells on a registered exchange.
<b>Listed Options</b>	An option that has been accepted for trading on an exchange.
<b>Manual Option Orders</b>	An order received via manual means which require the trader to manually enter the order into the firm's order management system. This may be accomplished via telephone, instant messaging, or email, for example.
<b>Market Access</b>	The term market access shall mean (i) access to trading in securities on an exchange or alternative trading system as a result of being a member or subscriber of the exchange or alternative trading system, respectively; or (ii) access to trading in securities on an alternative trading system provided by a broker-dealer operator of an alternative trading system to a non-broker-dealer.
<b>Market Maker</b>	A firm that stands ready to buy and sell a particular stock on a regular and continuous basis at a publicly quoted price.
<b>Market-Linked Notes</b>	A structured product linked to an underlying index.
<b>Mergers and Acquisition Advisory</b>	The practice of assisting the firm's corporate clients in recommending, structuring, and acting as an intermediary in mergers and acquisitions.
<b>Money Market Mutual Funds</b>	A mutual fund that invests only in short-term securities, such as bankers' acceptances, commercial paper, repurchase agreements and government bills. The net asset value per share is maintained at \$1. Such funds are not federally insured, although the portfolio may consist of guaranteed securities and/or the fund may have private insurance protection.
<b>Municipal Adviser</b>	A person (who is not a municipal entity or an employee of a municipal entity) that (i) provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues; or (ii) undertakes a solicitation of a municipal entity.
<b>Municipal Debt</b>	A general term referring to securities issued by local governmental subdivisions such as cities, towns, villages, counties or special districts, as well as securities issued by states and political subdivisions or agencies of states.
<b>Mutual Funds</b>	An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money-market instruments and similar assets. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.
<b>Net Basis</b>	A net trade is a principal trade in which a broker-dealer, after having received an order to buy (sell) an equity security, purchases (sells) the security at one price and satisfies the original order by selling (buying) the security at a different price. The difference between the price of the initial transaction and the price of the offsetting transaction generally is considered the broker-dealer's compensation.
<b>Non-Public Information</b>	Personally identifiable financial information and any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable financial information that is not publicly available information.

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<b>Options</b>	A contract that, in exchange for the option price, gives the option buyer the right, but not the obligation, to buy (or sell) a financial asset at the exercise price from (or to) the option seller within a specified time period, or on a specified date (expiration date).
<b>Order Flow</b>	For SEC Rule 606, a firm is required to disclose the identity of the market centers (exchanges), over-the-counter (OTC) market makers, and electronic communications networks (ECNs) and alternative trading systems (ATSs) to which they route orders on behalf of customers. i.e. where they route their 'order flow'. Firms are also required to disclose the nature of their relationships with such market centers they route orders to, including any internalization or payment for order flow arrangements.
<b>OTC Equities</b>	A stock or any other security representing an ownership interest that sells over the counter.
<b>OTC Options</b>	Options traded on the over-the-counter (OTC) market, where participants can choose the characteristics of the options traded.
<b>Outside Vendor Service</b>	For many purposes, firm may employ the services of outside vendors to meet their business needs. Two areas of note to market regulation is the use of vendors to compile, calculate and publish SEC Rule 605 and 606 statistics and the use of vendors as orders management and risk control systems providers. Example of prominent outside vendors include Thomson Reuters, Charles River, Fidessa, Bloomberg, ect.
<b>Penny Stocks/Low-Priced Securities</b>	A non-Nasdaq and non-exchange-listed equity security, currently priced under \$5 per share, that is issued by a company with less than a specified amount of net tangible assets, continuous operations or annual revenues.
<b>Pension Plan Administration Services</b>	Offering any administrative, accounting or any other non-investment related services to a pension plan/fund.
<b>Phone</b>	A distribution channel where customers have phone-based interactions with registered personnel of the firm.
<b>Physical Insurance</b>	An arrangement by which a company or government agency provides a guarantee of compensation for specified loss or damage in return for payment of a premium.
<b>PIPE/SPAC Financing</b>	A special-purpose acquisition company (SPAC) allows public stock market investors to invest in private equity type transactions. A Private Investment in a Public Entity (PIPE) involves the selling of publicly traded securities to private investors.
<b>Politically Exposed Person</b>	Generally defined as a current or former senior foreign political figure, their immediate family, and their close associates.
<b>Positive Affirmation</b>	The act of sending confirmation notices to customers when their account information is changed.
<b>Predictive</b>	Controls that are designed to identify potential errors or irregularities prior to their occurrence.
<b>Preventive</b>	Controls that are designed to minimize losses or keep irregularities from occurring in the first place.
<b>Prime Brokerage</b>	A firm that offers bundled packages of services including securities clearing facilities to hedge funds and other professional investors.
<b>Principal Protected Notes</b>	A fixed-income security that guarantees a minimum return equal to the investor's initial investment (the principal amount).
<b>Private Equity Funds</b>	Any private fund that is not a hedge fund, liquidity fund, real estate fund, securitized asset fund or venture capital fund and does not provide investors with redemption rights in the ordinary course.

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<b>Private Securities</b>	Securities not registered with the SEC nor filed with FINRA, and are not publicly traded
<b>Producing Manager</b>	A Producing manager is a branch office manager, sales manager, regional or district sales manager, or any person who performs a similar supervisory function AND who services customer accounts in a capacity requiring registration.
<b>Promissory Notes</b>	A written, dated and signed two-party instrument containing an unconditional promise by the maker to pay a definite sum of money to a payee on demand or at a specified future date.
<b>Proprietary Mutual Funds</b>	An investment program funded by shareholders that trades in diversified holdings and is professionally managed by the sponsoring firm or an affiliate of the sponsoring firm.
<b>Real Estate Investment Vehicle</b>	A security that sells like a stock and invests in real estate directly, either through properties or mortgages.
<b>Reciprocal Order Flow Arrangements</b>	SEC Rule 606 requires firms to disclose their material relationships with other firms. The payment can take several forms with the most common being payment for order flow. In addition to making direct cash payments to broker-dealers in consideration for their retail options order flow, some firms have entered into other non-cash arrangements with order routing firms. These arrangements, typically referred to as reciprocal arrangements, take a variety of forms.
<b>Registered Investment Adviser</b>	An individual or firm that provides advice about specific securities in exchange for compensation.
<b>Reverse Convertible Securities</b>	Reverse-convertibles are debt obligations of the issuer that are tied to the performance of an unrelated security or basket of securities. These are structured products that generally consists of a high-yield, short-term note of the issuer that is linked to the performance of an unrelated reference asset—often a single stock but sometimes a basket of stocks, an index or some other asset. The product works like a package of financial instruments that typically has a debt instrument component and a derivative component.
<b>Reverse Merger Support</b>	The practice of being involved in any manner with the structuring or participation in reverse merger activity.
<b>SEA Rule 17a-3</b>	See <a href="http://www.finra.org/web/groups/industry/@ip/@reg/@rules/documents/interpretationsfor/p037774.pdf">http://www.finra.org/web/groups/industry/@ip/@reg/@rules/documents/interpretationsfor/p037774.pdf</a>
<b>Securities Lending</b>	The practice of lending out securities for a fee.
<b>Securitization of Debt</b>	The financial practice of pooling various types of contractual debt and selling said debt as bonds, pass-through securities, or Collateralized Mortgage Obligation (CMOs) to various investors.
<b>Small Market Center</b>	For SEC Rule 605, the Small Market exemption covers any market center that reported fewer than 200 transactions per trading day on average over the preceding six-month period in securities that are covered by the Rule (that is, national market system securities that do not qualify for the inactively traded security exemption), but only if more than 90 percent of such transactions were in securities that are not included in the Nasdaq-100 Index or the S&P 500 Composite Stock Price Index.
<b>Sponsored Access</b>	The practice of a “Sponsoring Member” providing access to the Nasdaq Execution System (“Nasdaq”) and other exchanges on an agency basis to another firm or customer.

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<b>Stress Test</b>	A simulation technique used on asset and liability portfolios to determine their reactions to different financial situations. Stress tests are also used to gauge how certain stressors will affect a company or industry. They are usually computer-generated simulation models that test hypothetical scenarios.
<b>Structured Product Manufacturing</b>	The practice of engaging in the creation of structured products
<b>U.S. Government Debt</b>	Bonds issued by the United States government in order to finance the country's growth.
<b>Unit Investment Trusts</b>	An investment company that (A) is organized under a trust indenture, contract of custodianship or agency or similar instrument, (B) does not have a board of directors, and (C) issues only redeemable securities, each of which represents an undivided interest in a unit of specified securities; but does not include a voting trust.
<b>Unregistered Securities</b>	A stock that does not have an effective registration statement on file with the SEC.
<b>Variable Annuities</b>	A contract between an investor and an insurance company, under which the investor makes a lump-sum payment or series of payments. In return, the insurer agrees to make periodic payments to the investor beginning immediately or at some future date.
<b>VeriSign Certification</b>	VeriSign certification issues SSL certificates that helps users protect their data transfer by using encrypted communications.
<b>Virtual Currency</b>	A digital medium of exchange that operates like a currency in some environments, but does not have legal tender status in any jurisdiction and is not backed by government-issued legal tender. Virtual currencies are also referred to as "crypto-currencies."
<b>Virtual Currency - Administrator</b>	A party engaged in issuing (putting into circulation) a virtual currency, and who has the authority to redeem (to withdraw from circulation) such virtual currency.
<b>Virtual Currency - Exchanger</b>	A party engaged in the exchange of virtual currency for real currency.
<b>Virtual Currency - User</b>	A party that obtains virtual currency to purchase goods or services on the user's own behalf.
<b>Web/URL Filtering</b>	A program that prevents access to undesirable websites, typically by comparing a requested website address to a list of known bad websites.
<b>Web Access</b>	A distribution channel where the firm offers its clients direct online access to enter and execute orders, or receives orders from its clients.
<b>Wholesale Brokerage</b>	The practice of acting as an intermediary between a retail broker and a product manufacturer, while having no contact with the retail customer.
<b>Wholesale Customer</b>	A customer of a wholesale broker.

**\*Note:** All terms in this glossary are solely defined for the purpose of the FINRA Risk Control Assessment.