SOURCE APPENDIX

Primary authorities and status notes

Supporting the Northbridge broker-dealer registration-risk white paper | Current through September 8, 2026

Classification: A = binding statute/rule; B = official guidance, proposal, recommendation, or enforcement material; C = judicial authority; D = reasoned inference. Judicial authority is controlling only in the relevant jurisdiction and on the issue decided. SEC staff no-action positions, proposals, committee recommendations, and settled orders are not rules or adjudicated findings.

01 A 15 U.S.C. § 78c(a)(4)
Exchange Act broker definition: person engaged in business of effecting securities transactions for others.

02 A 15 U.S.C. § 78o(a)(1)
Federal registration requirement for a broker or dealer using interstate means to effect or induce securities transactions, subject to statutory limits.

03 A 17 C.F.R. § 240.3a4-1
Nonexclusive issuer-associated-person safe harbor. Includes threshold conditions and three alternative activity branches; failure does not create a presumption of violation.

04 A 15 U.S.C. § 78o(b)(13)
Narrow statutory M&A broker exemption. Not a general private-capital-raising or passive-investor exemption.

05 A 15 U.S.C. § 78t
Controlling-person, indirect-activity, and SEC aiding-and-abetting provisions. Each theory has separate elements and defenses.

06 A 15 U.S.C. § 78u(d)
Civil injunction, penalty, and disgorgement authority, subject to statutory and judicial conditions.

07 A 15 U.S.C. § 78u-3
Administrative cease-and-desist, accounting, disgorgement, and interest authority, subject to statutory conditions.

08 A 15 U.S.C. § 78cc(b)
Contract consequence provision. Courts generally treat consequences as voidability subject to statutory relationship, directness, and equitable analysis.

09 A 15 U.S.C. § 78ff(a)
Criminal provision for willful Exchange Act violations; statutory maxima and limited no-imprisonment rule/regulation defense.

10 B SEC Guide to Broker-Dealer Registration
Comprehensive Commission staff guide covering activity, transaction-related compensation, issuer personnel, private placements, separate payees, state requirements, and association.

11 B SEC Broker-Dealers small-business page
Current SEC small-business summary of risk factors and possible consequences; updated April 24, 2026.

12 B SEC Exempt Offerings overview
Current offering-exemption background. Supports separation of Securities Act offering exemption from broker analysis.

13 B SEC Rule 506(b) Private Placements
Current Rule 506(b) conditions, including the general-solicitation restriction and investor framework.

14 B SEC Exempt Offerings FAQs
Official state-law caveat: Rule 506 preemption does not eliminate state antifraud, notice, fee, or distinct intermediary requirements.

15 B FINRA Rule 2040
Directly governs FINRA members and associated persons making payments to unregistered persons; not an issuer safe harbor.

16 B Brumberg, Mackey & Wall staff letter
2010 staff denial involving limited introductions and percentage-of-capital compensation. Highly analogous risk signal, but fact-specific and nonbinding.

17 B 2020 proposed finders exemptive order
Proposal only. It was not adopted and is not an operative exemption.

18 B SEC staff proposed-finders comparison chart
Staff chart expressly warns that the 2020 proposal could not be relied on unless adopted as a final operative order.

19 B 2026 Small Business Committee recommendation
Nonbinding advisory recommendation to adopt a finders framework; confirms a framework remained a policy proposal in 2026.

20 B SEC Chair remarks on no-action letters
Official speech noting that staff no-action letters have no legal force or effect; speeches are not Commission rules.

21 B SEC staff M&A letter withdrawal
Confirms withdrawal of the earlier no-action letter after the statutory M&A exemption became effective in 2023.

22 B Ranieri Partners press release
Official summary of representative private-fund solicitation settlements, expressly noting settlement without admissions.

23 B In re William M. Stephens
Settled order describing unregistered solicitation, transaction-based compensation, and an industry bar; not an adjudicated finding against another person.

24 B In re Ranieri Partners LLC and Donald W. Phillips
Settled causing and aiding-and-abetting order with issuer-side facts, penalties, and supervisory suspension.

25 B SEC civil penalty adjustment table
Current adjusted per-violation ceilings; amounts are maximums and tiers require statutory predicates.

26 B SEC 2026 no-adjustment release
Confirms the January 2025 inflation-adjusted penalty amounts continue to apply in 2026.

27 B SEC enforcement process
Official overview of civil and administrative remedies, including injunctions, penalties, disgorgement, censures, suspensions, and bars.

28 C SEC v. Feng, 935 F.3d 721 (9th Cir. 2019)
Appellate broker finding based on recruitment, recommendations, negotiation/assistance, commissions, and totality. Controlling in Ninth Circuit.

29 C SEC v. Collyard, 861 F.3d 760 (8th Cir. 2017)
Appellate articulation of nonexclusive broker factors, including regular participation, commissions, advice, and active recruitment. Controlling in Eighth Circuit.

30 C SEC v. Kramer, 778 F. Supp. 2d 1320 (M.D. Fla. 2011)
District court rejected transaction-based compensation as automatically dispositive and found isolated activity insufficient on its record. Persuasive, narrow counterauthority.

31 C EdgePoint Capital v. Apothecare Pharmacy (1st Cir. 2021)
Success-fee contract unenforceable under Section 29(b) on M&A facts; registered affiliate did not save unregistered contracting entity. Predates statutory M&A exemption.

32 C Regional Properties v. Financial & Real Estate Consulting (5th Cir. 1982)
Real-estate limited-partnership syndication and unregistered consultant; Section 29(b) analysis with remand for equitable issues.

33 C Berckeley Investment Group v. Colkitt (3d Cir. 2006)
Section 29(b) requires a direct, inseparable relationship between prohibited conduct and contractual performance; collateral violations are insufficient.

34 C Liu v. SEC, 591 U.S. 71 (2020)
Supreme Court limits equitable disgorgement to net profits awarded for victims under Section 21(d)(5); later Congress added express Section 21(d)(7) authority.

35 C United States v. Tarallo (9th Cir. 2004/2005)
Explains willfulness in a securities-fraud prosecution and the Section 32 no-imprisonment provision. Not a broker-registration prosecution; use only for mental-state caution.

36 D Northbridge application
Severe-risk conclusion for the proposed 7% outside-solicitor model; lower-risk conclusion for a genuine internal fixed-fee scope; operational, diligence, and remediation recommendations.

Link and currentness notes

- United States Code links use the Office of the Law Revision Counsel preliminary edition available on the research date.

- The eCFR link is the current Rule 3a4-1 page. The SEC guide independently summarizes the same issuer-personnel framework. 17 C.F.R. § 240.3a4-1; SEC Guide to Broker-Dealer Registration.
- Penalty amounts were checked against the SEC table and the July 1, 2026 no-adjustment release. SEC, Civil Monetary Penalty Inflation Adjustments; SEC Release No. 33-11428 (July 1, 2026).
- The 2020 finder material is labeled proposed in the title and throughout this package; no reliance should be placed on it as law. SEC, Proposed Finders Exemptive Order, Exchange Act Release No. 90,112 (Oct. 7, 2020); SEC Small Business Capital Formation Advisory Committee, Finders Recommendation (Apr. 14, 2026).
- OpenJurist and Justia links are used only for published judicial opinions where a stable court-hosted text was not located; the cases themselves are public judicial authorities.

Scope limit: This is a federal-primary-authority appendix with a state-law orientation source. It is not a 50-state broker/agent survey and does not determine which circuit or state governs an actual Northbridge engagement.