

Table of Contents

I	<u>WELCOME TO THE EXAMFX SERIES 10 PROGRAM</u>	i7
	I.1 – ABOUT EXAMFX	i8
	I.2 – EXAM OVERVIEW	i8
	I.3 – ARRANGING YOUR EXAM	i10
	I.4 – TAKING THE EXAM	i12
	I.5 – PREPARING FOR YOUR EXAM.....	i14
1.	<u>MUNICIPAL BONDS SECTION I</u>	1
	1.1 – MUNICIPAL BOND BASICS	2
	1.2 – MSRB - MUNICIPAL SECURITIES RULEMAKING BOARD	3
	1.3 – ADMINISTRATION AND COMPLIANCE DEFINITIONS	4
	1.4 – MSRB FEES	5
	1.5 – REGISTRATION	6
	1.6 – GIFTS AND GRATUITIES	9
	1.7 – CUSTOMER ACCOUNTS	10
	1.8 – SUPERVISION AND COMPLIANCE.....	13
	1.9 – COMPLAINTS.....	15
	1.10 – OPENING ACCOUNTS FOR EMPLOYEES OF OTHER BROKER-DEALERS	16
	1.11 – ARBITRATION	16
	1.12 – OTHER GENERAL INFORMATION	18
2.	<u>MUNICIPAL BONDS SECTION II</u>	19
	2.1 – SYNDICATE CHART.....	20
	2.2 – FINANCIAL ADVISOR AND FINANCIAL ADVISORY RELATIONSHIPS.....	21
	2.4 – MUNICIPAL BOND PRIMARY MARKET	24
	2.5 – SECONDARY MARKET	37
	2.6 – GENERAL INFORMATION	46
3.	<u>MUNICIPAL BONDS SECTION III</u>	47
	3.1 – BOOKS AND RECORDS	48
	3.2 – UNIFORM PRACTICE RULES	50
4.	<u>SECURITIES MARKETS</u>	61
	4.1 – NASDAQ MARKET AND MARKET MAKERS	62
	4.2 – THE OTC EQUITY MARKET AND NASDAQ TRADING	63
	4.3 – THE NYSE DESIGNATED MARKET MAKER (DMM)	66
	4.4 – NYSE TRADING	67
	4.5 – LISTING REQUIREMENTS FOR THE NYSE	71
	4.6 – DEPOSITORY TRUST COMPANY (DTC)	73

5. GENERAL FINANCIAL RESPONSIBILITY RULES	75
5.1 – GENERAL FINANCIAL RESPONSIBILITY RULES.....	76
6. FEDERAL AND STATE REGULATIONS OF THE SECURITIES INDUSTRY	79
6.1 – SECURITIES ACT OF 1933.....	80
6.2 – THE SECURITIES EXCHANGE ACT OF 1934.....	84
6.3 – TENDER OFFERS	88
6.4 – INSIDER TRADING	90
6.5 – OTHER FEDERAL STATUTES AND REGULATIONS	93
7. EXEMPT OFFERINGS AND TRANSACTIONS UNDER THE SECURITIES ACT OF 1933	103
7.1 – PRIVATE PLACEMENTS	104
7.2 – RESTRICTED & CONTROL SECURITIES	107
7.3 – OTHER EXEMPT OFFERINGS UNDER THE SECURITIES ACT OF 1933.....	109
8. SELF-REGULATORY ORGANIZATIONS: SUPERVISION OF MEMBER FIRMS	119
8.1 – MEMBER FIRMS: OSJ AND BRANCH OFFICES	120
8.2 – SUPERVISION OF BRANCHES AND BRANCH OFFICE MANAGERS	125
8.3 – MARK-UP POLICY (FINRA RULE 2121)	127
8.4 – SUPERVISION OF MEMBER FIRM ACTIVITIES	131
8.5 – ANTI-MONEY LAUNDERING (AML) PROGRAM	141
9. SELF-REGULATORY ORGANIZATIONS: SUPERVISION OF MEMBER FIRM PERSONNEL	145
9.1 – REGISTRATION AND EMPLOYMENT OF INDIVIDUALS (FINRA RULE 1000 SERIES).....	146
9.2 – EMPLOYMENT OF MEMBER FIRM PERSONNEL	149
9.3 – TRANSACTIONS BY MEMBER FIRM PERSONNEL.....	158
9.4 – DISCIPLINED MEMBER FIRMS AND REPORTING REQUIREMENTS OF MEMBER ACTIONS	161
9.5 – OTHER FINRA SUPERVISORY RULES	164
9.6 – FINRA CODE OF PROCEDURE	169
9.7 – FINRA BROKERCHECK SYSTEM	171
9.8 – CODE OF ARBITRATION (FINRA RULE SERIES 12000 & 13000).....	173

10. CUSTOMER ACCOUNTS & BROKERAGE OFFICE OPERATIONS	179
10.1 – PROSPECTING FOR NEW CUSTOMERS	180
10.2 – NEW ACCOUNTS	182
10.3 – UNIFORM GIFTS TO MINORS ACT OR UNIFORM TRANSFERS TO MINORS ACT	189
10.4 – DISCRETIONARY ACCOUNTS.....	191
10.5 – HANDLING CUSTOMER ACCOUNTS.....	193
10.6 – CUSTOMER ORDERS, CONFIRMATIONS, AND ACCOUNT STATEMENTS	196
10.7 – CUSTOMER ACCOUNT TRANSFERS, UPDATING ACCOUNTS.....	206
10.8 – SECURITIES INVESTOR PROTECTION CORPORATION (SIPC)	208
10.9 – FAIR DEALING WITH CUSTOMERS	209
10.10 – SUITABILITY AND REGULATION BEST INTEREST	214
10.11 – STRUCTURED PRODUCTS FOR CUSTOMERS	221
10.12 – ANNUITIES	224
R – VARIABLE ANNUITY CONTRACT STRUCTURE	231
11. COMMUNICATIONS WITH THE PUBLIC AND RESEARCH REGULATIONS	233
11.1 – COMMUNICATIONS WITH THE PUBLIC	234
11.2 – INVESTMENT COMPANY AND VARIABLE PRODUCT FILING AND REVIEW PROCEDURES ...	240
11.3 – RESEARCH REPORTS AND ANALYSTS.....	245
11.4 – RESTRICTIONS ON ANALYSTS AND MEMBER FIRMS	247
11.5 – DISCLOSURE REQUIREMENTS, THIRD-PARTY RESEARCH	250
11.6 – DEBT RESEARCH REPORTS	252
12. INVESTMENT COMPANIES	255
12.1 – TYPES OF INVESTMENT COMPANIES.....	256
12.2 – REGULATION OF INVESTMENT COMPANIES.....	257
12.3 – FINRA RULES FOR OPEN-END INVESTMENT COMPANIES (MUTUAL FUNDS)	260
12.4 – ADDITIONAL INVESTMENT COMPANY RULES AND REGULATIONS.....	262
12.5 – EXCHANGE-TRADED FUNDS	265
13. REG T, MARGIN ACCOUNTS, & UNIFORM PRACTICE CODE	271
13.1 – REGULATION T.....	272
13.2 – HYPOTHECATION.....	277
13.3 – PORTFOLIO MARGIN ACCOUNTS.....	279
13.4 – UNIFORM PRACTICE CODE	280
13.5 – UNIFORM PRACTICE CODE: DIVIDENDS AND THE DERP CHART.....	282
13.6 – DELIVERY OF SECURITIES.....	283

14. RETIREMENT PLANS AND EDUCATION SAVINGS PLANS	285
14.1 – INDIVIDUAL RETIREMENT ACCOUNTS - ADVANCED	286
R – ROLLOVER CHART	293
14.2 – QUALIFIED RETIREMENT PLANS - ADVANCED.....	294
14.3 – OTHER RETIREMENT PLANS	300
14.4 – ROLLOVERS	302
14.5 – EDUCATIONAL ACCOUNTS AND MUNICIPAL FUND SECURITIES - ADVANCED.....	303
RETIREMENT PLAN SUMMARY CHART	307
R CLOSING RESOURCES	311
DAMAGE CONTROL STEPS	312
HOME STRETCH & THE REAL EXAM	314
R ADDITIONAL RESOURCES	317
COURSE STUDY MANUAL ADDENDUM - EXHIBIT / EXERCISE FILL-INS	318
CRITICAL FACTS	322
INDEX	345