

Table of Contents

CHAPTER	PAGE
I INTRODUCTION TO THE TRAINING CONSULTANTS SERIES 99 TOP-OFF PROGRAM	i7
I.1 – ABOUT TRAINING CONSULTANTS	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
I INTRODUCTION TO THE SECURITIES INDUSTRY.....	i17
I.1 – SECURITIES INDUSTRY OVERVIEW.....	i18
1. FEDERAL REGULATIONS	1
1.1 – SECURITIES ACT OF 1933.....	2
1.2 – THE SECURITIES EXCHANGE ACT OF 1934	3
1.3 – OTHER TYPES OF OFFERINGS	6
1.4 – BASIC KNOWLEDGE OF BOOKS AND RECORDS	9
1.5 – CUSTOMER PROTECTION RULES.....	10
1.6 – FINCEN & USA PATRIOT ACT	11
1.7 – POLITICAL CONTRIBUTION RULES (PAY-TO-PLAY).....	14
1.8 – CUSTOMER IDENTIFICATION PROGRAM.....	16
1.9 (TOP-OFF) – OPTION ACCOUNT REGULATIONS.....	17
1.10 (TOP-OFF) – REGULATION OF MUTUAL FUND SALES	18
2. SECURITIES MARKETS	21
2.1 – NATIONAL MARKET SYSTEM CHART.....	22
2.2 – TYPES OF ORDERS – BASICS	23
2.3 – SHORT SELLING, ORDER EXECUTION SYSTEMS, AND REPORTING SYSTEMS	25
2.4 – TRADING ON AN EXCHANGE – BASICS	26
2.5 – THE OVER THE COUNTER MARKET – BASICS.....	28
2.6 – SETTLEMENT DATES, DEPOSITORIES AND CLEARING COMPANIES	30
3. CUSTOMER ACCOUNTS	33
3.1 – PROSPECTING FOR NEW CUSTOMERS	34
3.2 – OPENING AND MAINTAINING CUSTOMER ACCOUNTS	35
3.3 – TYPES OF CUSTOMER ACCOUNTS	38
3.3A (TOP-OFF) – TYPES OF CUSTOMER ACCOUNTS – TOP-OFF.....	44
3.4 – HANDLING CUSTOMER ACCOUNTS	46
3.4A (TOP-OFF) – HANDLING CUSTOMER ACCOUNTS – TOP-OFF.....	47
3.5 – ORDER TICKETS, CONFIRMATIONS, AND ACCOUNT STATEMENTS	48
3.5A (TOP-OFF) – ORDER TICKETS, CONFIRMATIONS, AND ACCOUNT STATEMENTS – TOP-OFF.....	50
3.5B (TOP-OFF) – CUSTOMER ACCOUNT TRANSFERS, UPDATING ACCOUNTS.....	56
3.6 (TOP-OFF) – ADDITIONAL INFORMATION RELATED TO RECOMMENDATIONS TO CUSTOMERS.....	59
3.7 – MEMBER FIRM OBLIGATIONS RELATED TO SENIORS	63

4.	CASH AND MARGIN ACCOUNT BASICS.....	65
	4.1 – MARGIN ACCOUNT BASICS	66
	4.2 – REGULATION T BASICS AND DELIVERY.....	66
	4.3 – FUNDING OF MARGIN CREDIT.....	68
	4.4 – MARGIN ACCOUNT FORMS.....	69
	4.5 – REGULATION T INITIAL MARGIN REQUIREMENTS.....	70
	4.6 – BASICS OF A MARGIN ACCOUNT LONG.....	73
	4.6A (TOP-OFF) – DETERMINING THE CONDITION OF A LONG MARGIN ACCOUNT	74
	4.6B (TOP-OFF) – NYSE MINIMUM MAINTENANCE.....	76
	4.6C (TOP-OFF) – BASICS OF A MARGIN ACCOUNT - SHORT	77
5.	SELF-REGULATORY ORGANIZATIONS (SROs)	79
	5.1 – SECURITIES INDUSTRY REGULATORS	80
	5.2 – REGISTRATION REQUIREMENTS OF INDIVIDUALS.....	81
	5.3 – DISCIPLINARY RULES	90
	5.4 – SUPERVISION UNDER FINRA RULES	94
	5.5 – GIFTS AND GRATUITIES	97
	5.6 – FAIR DEALING WITH CUSTOMERS, BEST EXECUTION, AND CORPORATE ACTION DEADLINES	97
	5.7 (TOP-OFF) – NYSE REGULATIONS	101
	5.8 (TOP-OFF) – FINRA MARK-UP POLICY	101
	5.9 (TOP-OFF) – MEMBER FIRM REGULATIONS	102
	5.10 (TOP-OFF) – BROKER-DEALERS CONDUCTING BUSINESS IN FINANCIAL INSTITUTIONS & PAYMENTS FOR PUBLICATIONS	105
	5.11 (TOP-OFF) – RECRUITMENT PRACTICES.....	106
	5.12 (TOP-OFF) – GENERAL FINRA SUPERVISORY PROCEDURES.....	108
	5.13 (TOP-OFF) – THE CODE OF PROCEDURE.....	109
	5.14 (TOP-OFF) – TAPING RULES.....	110
	5.15 (TOP-OFF) – FINRA CODE OF ARBITRATION	111
	5.16 (TOP-OFF) – COMMUNICATIONS WITH THE PUBLIC.....	113
	5.17 (TOP-OFF) – SOCIAL MEDIA SITES OF MEMBER FIRMS AND ASSOCIATED PERSONS	120
	5.18 (TOP-OFF) – INVESTMENT COMPANY AND VARIABLE PRODUCT FILING AND REVIEW PROCEDURES ...	122
6.	BASICS OF LIFE INSURANCE AND VARIABLE ANNUITIES	129
	6.1 – LIFE INSURANCE BASICS	130
	6.2 – ANNUITY BASICS.....	131
	6.3 – VARIABLE ANNUITIES – ADVANCED.....	133
	VARIABLE ANNUITY CONTRACT STRUCTURE.....	140
7.	RETIREMENT PLANS AND EDUCATION SAVINGS PLANS.....	141
	7.1 – INDIVIDUAL RETIREMENT ACCOUNTS - ADVANCED	142
	R – ROLLOVER CHART.....	149
	7.2 – QUALIFIED RETIREMENT PLANS - ADVANCED	150
	7.3 – OTHER RETIREMENT PLANS.....	156
	7.4 – ROLLOVERS	158
	7.5 – EDUCATIONAL ACCOUNTS AND MUNICIPAL FUND SECURITIES - ADVANCED.....	159
	RETIREMENT PLAN SUMMARY CHART.....	163
8.	ADVANCED BROKER-DEALER OPERATIONAL KNOWLEDGE AND FINANCIAL RESPONSIBILITY (TOP-OFF)	165
	8.1 – TYPES OF BROKER-DEALERS AND FINANCIAL RESPONSIBILITY.....	166
	8.2 – BROKER-DEALER CLEARING, DEPOSITORIES, AND TRADE REPORTING SYSTEMS	171
	8.3 – BACK-OFFICE PROCEDURES	177

9.	OPERATIONS PROFESSIONAL RESPONSIBILITIES (TOP-OFF)	185
	9.1 – OPERATION RESPONSIBILITIES	186
	9.2 – TAX REPORTING	189
	9.3 – REPORTING REQUIREMENTS	195
	9.4 – POSTING OF BROKER-DEALER ENTRIES AND RECONCILIATIONS	197
	9.5 – ACCESS TO SENSITIVE AREAS AND FILES OF A BROKER-DEALER	198
R	CLOSING RESOURCES	199
	DAMAGE CONTROL STEPS	200
	HOME STRETCH & THE REAL EXAM	202
R	ADDITIONAL RESOURCES	207
	EXERCISE ANSWERS & FILL-INS	208
	CRITICAL FACTS	215
	INDEX	227

“Your own resolution to success is more important than any other one thing.” ~Abraham Lincoln