

# Table of Contents

<b>I</b>	<b><u>WELCOME TO THE TRAINING CONSULTANTS SERIES 10 PROGRAM</u></b>	<b>i7</b>
	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
<b>1.</b>	<b><u>MUNICIPAL BONDS SECTION I</u></b>	<b>1</b>
	1.1 – MUNICIPAL BOND BASICS .....	2
	1.2 – MSRB MUNICIPAL SECURITIES RULEMAKING BOARD .....	3
	1.3 – ADMINISTRATION AND COMPLIANCE DEFINITIONS .....	4
	1.4 – MSRB BROKER-DEALER 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
<b>2.</b>	<b><u>MUNICIPAL BONDS SECTION II</u></b>	<b>19</b>
	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 .....	36
	2.6 – GENERAL INFORMATION .....	44
<b>3.</b>	<b><u>MUNICIPAL BONDS SECTION III</u></b>	<b>45</b>
	3.1 – BOOKS AND RECORDS .....	46
	3.2 – UNIFORM PRACTICE RULES.....	48
<b>4.</b>	<b><u>SECURITIES MARKETS</u></b>	<b>59</b>
	4.1 – OTC AND MARKET MAKERS.....	60
	4.2 – GENERAL OTC INFORMATION.....	61
	4.3 – THE NYSE DESIGNATED MARKET MAKER (DMM) .....	64
	4.4 – NYSE TRADING .....	65
	4.5 – LISTING REQUIREMENTS FOR THE NYSE .....	69
	4.6 – DEPOSITORY TRUST COMPANY (DTC).....	71

<b>5.</b>	<b><u>GENERAL FINANCIAL RESPONSIBILITY RULES</u></b>	<b>73</b>
	5.1 – GENERAL FINANCIAL RESPONSIBILITY RULES.....	74
<b>6.</b>	<b><u>FEDERAL AND STATE REGULATIONS OF THE SECURITIES INDUSTRY</u></b>	<b>77</b>
	6.1 – SECURITIES ACT OF 1933.....	78
	6.2 – THE SECURITIES EXCHANGE ACT OF 1934.....	82
	6.3 – TENDER OFFERS.....	86
	6.4 – INSIDER TRADING.....	89
	6.5 – OTHER FEDERAL STATUTES AND REGULATIONS.....	91
	6.6 – STATE REGULATIONS.....	98
<b>7.</b>	<b><u>EXEMPT OFFERINGS AND TRANSACTIONS UNDER THE SECURITIES ACT OF 1933</u></b>	<b>101</b>
	7.1 – PRIVATE PLACEMENTS.....	102
	7.2 – RESTRICTED & CONTROL SECURITIES.....	105
	7.3 – OTHER EXEMPT OFFERINGS UNDER THE SECURITIES ACT OF 1933.....	107
<b>8.</b>	<b><u>SELF-REGULATORY ORGANIZATIONS: SUPERVISION OF MEMBER FIRMS</u></b>	<b>115</b>
	8.1 – MEMBER FIRMS: OSJ AND BRANCH OFFICES.....	116
	8.2 – SUPERVISION OF BRANCHES AND BRANCH OFFICE MANAGERS.....	120
	8.3 – MARK-UP POLICY (FINRA RULE 2121).....	123
	8.4 – SUPERVISION OF MEMBER FIRM ACTIVITIES.....	126
	8.5 – ANTI-MONEY LAUNDERING (AML) PROGRAM.....	136
<b>9.</b>	<b><u>SELF-REGULATORY ORGANIZATIONS: SUPERVISION OF MEMBER FIRM PERSONNEL</u></b>	<b>141</b>
	9.1 – REGISTRATION AND EMPLOYMENT OF INDIVIDUALS (FINRA RULE 1000 SERIES).....	142
	9.2 – EMPLOYMENT OF MEMBER FIRM PERSONNEL.....	146
	9.3 – TRANSACTIONS BY MEMBER FIRM PERSONNEL.....	154
	9.4 – DISCIPLINED MEMBER FIRMS AND REPORTING REQUIREMENTS OF MEMBER ACTIONS....	157
	9.5 – OTHER FINRA SUPERVISORY RULES.....	160
	9.6 – FINRA CODE OF PROCEDURE.....	165
	9.7 – FINRA BROKERCHECK SYSTEM.....	167
	9.8 – CODE OF ARBITRATION (FINRA RULE SERIES 12000 & 13000).....	169

<b>10. <u>CUSTOMER ACCOUNTS &amp; BROKERAGE OFFICE OPERATIONS</u></b>	<b>175</b>
10.1 – PROSPECTING FOR NEW CUSTOMERS .....	176
10.2 – NEW ACCOUNTS .....	178
10.3 – UNIFORM GIFTS TO MINORS ACT OR UNIFORM TRANSFER TO MINORS ACT .....	186
10.4 – DISCRETIONARY ACCOUNTS.....	187
10.5 – HANDLING CUSTOMER ACCOUNTS.....	189
10.6 – CUSTOMER ORDERS, CONFIRMATIONS, AND ACCOUNT STATEMENTS .....	192
10.7 – CUSTOMER ACCOUNT TRANSFERS, UPDATING ACCOUNTS.....	203
10.8 – SECURITIES INVESTOR PROTECTION CORPORATION (SIPC) .....	205
10.9 – FAIR DEALING WITH CUSTOMERS .....	206
10.10 –SUITABILITY AND REGULATION BEST INTEREST .....	211
10.11 – STRUCTURED PRODUCTS FOR CUSTOMERS .....	218
10.12 – ANNUITIES .....	221
VARIABLE ANNUITY CONTRACT STRUCTURE .....	228
<b>11. <u>COMMUNICATIONS WITH THE PUBLIC AND RESEARCH REGULATIONS</u></b>	<b>229</b>
11.1 – COMMUNICATIONS WITH THE PUBLIC .....	230
11.2 – INVESTMENT COMPANY AND VARIABLE PRODUCT FILING AND REVIEW PROCEDURES ...	236
11.3 – RESEARCH REPORTS AND ANALYSTS.....	242
11.4 – RESTRICTIONS ON ANALYSTS AND MEMBER FIRMS .....	244
11.5 – DISCLOSURE REQUIREMENTS, THIRD PARTY RESEARCH.....	247
11.6 – DEBT RESEARCH REPORTS .....	249
<b>12. <u>INVESTMENT COMPANIES</u></b>	<b>253</b>
12.1 – TYPES OF INVESTMENT COMPANIES.....	254
12.2 – REGULATION OF INVESTMENT COMPANIES.....	255
12.3 – FINRA RULES FOR OPEN-END INVESTMENT COMPANIES (MUTUAL FUNDS) .....	258
12.4 – ADDITIONAL INVESTMENT COMPANY RULES AND REGULATIONS.....	260
12.5 – EXCHANGE TRADED FUNDS.....	263
<b>13. <u>REG T, MARGIN ACCOUNTS, &amp; UNIFORM PRACTICE CODE</u></b>	<b>269</b>
13.1 – REGULATION T.....	270
13.2 – HYPOTHECATION.....	275
13.3 – PORTFOLIO MARGIN ACCOUNTS.....	277
13.4 – UNIFORM PRACTICE CODE .....	278
13.5 – UNIFORM PRACTICE CODE: DIVIDENDS AND THE DERP CHART.....	280
13.6 – DELIVERY OF SECURITIES.....	281

<b>14.</b>	<b><u>RETIREMENT PLANS AND EDUCATION SAVINGS PLANS</u></b>	<b>283</b>
	14.1 – INDIVIDUAL RETIREMENT ACCOUNTS - ADVANCED .....	284
	RESOURCE – ROLLOVER CHART .....	291
	14.2 – QUALIFIED RETIREMENT PLANS - ADVANCED.....	292
	14.3 – OTHER RETIREMENT PLANS .....	298
	14.4 – ROLLOVERS.....	300
	14.5 – EDUCATIONAL ACCOUNTS AND MUNICIPAL FUND SECURITIES - ADVANCED.....	301
	RETIREMENT PLAN SUMMARY CHART .....	305
<b>R</b>	<b><u>CLOSING RESOURCES</u></b>	<b>307</b>
	DAMAGE CONTROL STEPS .....	308
	HOME STRETCH & THE REAL EXAM .....	309
<b>R</b>	<b><u>ADDITIONAL RESOURCES</u></b>	<b>315</b>
	COURSE STUDY MANUAL ADDENDUM - EXHIBIT / EXERCISE FILL-INS .....	316
	CRITICAL FACTS .....	320
	INDEX .....	337