Achievable

FINRA SERIES 10 DUMP SHEET

Rules and operations

Federal rules & regulations

- **Securities Act of 1933** ("Paper Act"): primary/issuer market; registration and prospectus
- **Securities Exchange Act of 1934:** secondary market; **created the SEC**; gave Reg T to the FRB; registers broker-dealers
  - §12(g): **>$10M** assets; **2,000+** holders or **500+** non-accredited
- **Insiders** (officers, directors, **10%+** owners)
  - Report within **10 days**; changes within **2 days**
  - No shorting their own stock
  - **Short-swing** (6-month) profits returned to the company
- **Insider trading:** civil up to **3×** profit; criminal up to **$5M** individual, **$25M** firm, **20 years**; whistleblower **10—30%**
- **Trust Indenture Act of 1939:** corporate bonds of **$10M or more** need an independent trustee
- **Underwritings**
  - Best efforts
  - All-or-none
  - Firm commitment
  - Mini-max
- **Blue Sky** (state): notice filing, coordination, qualification
- **Regulations**
  - **Reg M:** anti-manipulation; stabilizing bid at or below the POP, never to raise the price
  - **Reg S-P:** privacy; easy opt-out
  - **Reg SHO:** locate first; threshold fails closed out after **13 days**

Reg NMS	Covers
605	Execution-quality reports
606	Order-routing disclosure
607	Payment for order flow (PFOF) disclosure
610	Access-fee cap: **$0.001/share**
611	Order protection (no trade-throughs)
612	Increment: **$0.01** at $1 or more; **$0.0001** below $1

AML & investor protection

AML	Requirement
$3,000 wires	Keep transfer records
$5,000 or more	SAR (illegal to tell the client)
More than $10,000 cash	CTR, filed within **15 days**

- BSA, PATRIOT Act, OFAC/SDN; max **20 years / $500,000**
- **SIPC: $500,000** per account, including up to **$250,000** cash
  - Covers street-name securities if a broker-dealer fails
  - Margin accounts: only the **equity**; not commodities or futures
- **Financial exploitation (2165): 65+**, or 18+ impaired
  - **15**-day hold on a payout or trade; notify the trusted contact within **2** days
  - Extend **10**, then **30** if reported to a regulator (all business days)
- **Circuit breakers** (S&P 500)
  - **Levels 1—2 (7%, 13%):** 15-min halts; **Level 3 (20%):** rest of day
  - **LULD** bands: **5%** Tier 1 / **10%** Tier 2 above $3; **20%** at $0.75—$3; lesser of $0.15 or 75% below $0.75

Records & lost securities

Kept	Records
First 2 years	Easily accessible, non-editable
3 years	Default: order tickets, communications, confirms; **U4** = employment + 3 years; **U5** = 3 years
4 years	Customer complaints (**MSRB: 6 years**)
5 years	CIP documents, CTRs, SARs
6 years	Blotters, ledgers, stock records
Lifetime	Charter, partnership agreement, board minutes

- **Lost and stolen securities (SIC)**
  - Theft or counterfeit → SIC **and FBI within 1 business day**
  - Missing, no crime → 2 business days to locate, then report
  - Lost in transit → report within **20 days**

Codes of arbitration & procedure

- **Arbitration** is **required**; mediation is optional
  - **Simplified:** 1 arbitrator, **$50,000 or less** ($100,000 firm-only)
  - **3 arbitrators** for larger claims
- **Code of procedure:** the **DOE** initiates
  - Respondent has **25 days** to answer (14 more after a 2nd notice); no response = admission
  - **MRV:** fine up to **$2,500**; **AWC:** accept findings, waive appeal
  - **Appeals:** hearing panel → **NAC** → SEC → Court of Appeals → Supreme Court

MSRB "G" rules

Rule	Requirement
G-11	Priority: pre-sale → group net → designated → member
G-20	Gifts limited to **$300**
G-26	Transfers: validate in **1 business day**, complete in **3**
G-32	Final official statement by settlement
G-37	Political contribution → **2-year ban** on muni business
SMMP	Institutional customer, **$50M+** in assets

Accounts & retirement

- **Joint ownership**
  - **JTIC:** share to the estate
  - **TBE:** married; both agree
  - **JTWROS:** to the survivor
  - Community property
- **UGMA:** age of majority; **UTMA:** up to the state maximum
- **Day trading:** equity commensurate with intraday market exposure; replaced the **$25,000** pattern day trader rule
- **IRAs:** Traditional (deductible, **RMDs**) vs **Roth** (no RMDs)
  - 2026 limit **$7,500** + **$1,100** catch-up at 50+ (**$8,600**)
  - Contribute by **April 15**; rollover: **60 days**, one per 12 months
- **ERISA:** vesting by 3-year cliff or 2—6-year graded; participation at age 21+ with 1,000 hours