

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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ARKANSAS SECURITIES DEP

IN THE MATTER OF:

**AGENT AND PRINCIPAL
OF A BROKER-DEALER
REGISTRATIONS**

ORDER NO. S-10-0066-10-OR01

**ORDER LIMITING AGENT AND PRINCIPAL OF A
BROKER-DEALER REGISTRATIONS TO THE SCOPE OF EXAMINATION**

This Order limits the registrations of agents and principals of broker-dealer applicants to those activities covered by the scope of examinations the applicants have successfully completed and submitted with their application. The Arkansas Securities Commissioner (“Commissioner”) hereby finds and concludes:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 509, requires the registration of a person in order to transact business in this state as an agent or principal of a broker-dealer. Among other requirements, an applicant for registration as an agent or principal of a broker-dealer must successfully pass the appropriate written general knowledge and state law examinations. Ark. Code Ann. § 23-42-302(d) and Rule 302.01(C).

2. Examinations for agents and principals of a broker-dealer are administered to applicants by the Financial Industry Regulatory Authority (“FINRA”). The examinations are designed to test either broad general knowledge or knowledge of a limited subject area.

3. Ark. Code Ann. § 23-42-302(a)(2) authorizes the Commissioner to approve by order a limited registration with such limitations as the Commissioner deems appropriate.

4. This Order is in the public interest and is necessary and appropriate to recognize that the approval of a registration of an agent or principal of a broker-dealer by the Commissioner is restricted to securities business activities that the agent or principal of a broker-dealer is qualified

to perform as determined by the material contained in the written examination successfully passed by the agent or principal of a broker-dealer applicant.

5. To become registered in Arkansas as an agent of a broker-dealer, an applicant shall satisfy the state law examination requirement by passing the Series 63 or Series 66 examination and satisfy the general knowledge securities requirement by passing the Series 7 or Series 1 examination; or to become registered as a limited agent of a broker-dealer, an applicant shall satisfy the state law examination requirement by passing the Series 63 or Series 66 examination and passing at least one limited knowledge securities examination. At this time, the following limited knowledge securities examinations are recognized:

- a. Series 6 – Investment Company Products
- b. Series 17, 37, or 38 – All General Securities Except Municipal
- c. Series 22 – Direct Participation Programs
- d. Series 42 – Registered Options Representative
- e. Series 52 – Municipal Securities
- f. Series 55 – Equity Trader
- g. Series 62 – Corporate Securities
- h. Series 72 – Government Securities
- i. Series 79 – Investment Banking
- j. Series 82 – Private Securities

A limited agent of a broker-dealer is restricted to only the securities business covered by the written examination successfully passed by the agent of a broker-dealer.

6. To become registered in Arkansas as a principal of a broker-dealer, an applicant shall satisfy the general knowledge securities examination requirement by passing the Series 7 or Series 1 examination and the general securities principal examination requirement by passing the

Series 24, Series 00, or Series 40 examination, a combination of the Series 9, Series 10, and Series 23 examinations, or a combination of the Series 8 and Series 23 examinations; or to become registered as a limited principal of a broker-dealer, an applicant shall satisfy the general knowledge securities examination requirement by passing the Series 7, or Series 1; and at least one limited scope securities principal examination. At this time, the following limited scope securities principal examinations are recognized:

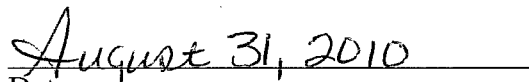
- a. Series 4 – Options Principal
- b. Series 26 – Investment Company Products
- c. Series 39 – Direct Participation Programs
- d. Series 51 – Municipal Fund Securities
- e. Series 53 – Municipal Securities

A limited principal of a broker-dealer is restricted to only the securities business activities covered by the written examination successfully passed by the principal of a broker-dealer.

7. Neither an agent nor principal of a broker-dealer is granted the authority to conduct business beyond the scope of activities that are appropriate based upon the written examinations successfully passed by the applicant.

IT IS SO ORDERED.


A. Heath Abshure
Arkansas Securities Commissioner


Date