

**INFORMATIONAL**

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**Membership  
And Registration  
Rules**

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**Series 24, 26, And 62  
Modified****SUGGESTED ROUTING**

*The Suggested Routing function is meant to aid the reader of this document. Each NASD member firm should consider the appropriate distribution in the context of its own organizational structure.*

- Legal and Compliance
- Operations
- Registration
- Training

**KEY TOPICS**

- Corporate Securities Limited Representative (Series 62)
- General Securities Principal (Series 24)
- Investment Company Products/Variable Contracts Limited Principal (Series 26)
- NASD Rules 1022(a) and (d)
- NASD Rule 1032(e)
- Qualification Examinations

**Executive Summary**

NASD Regulation, Inc. has modified the examination programs for the General Securities Principal (Series 24), the Investment Company Products/Variable Contracts Limited Principal (Series 26), and the Corporate Securities Limited Representative (Series 62). The changes are reflected in study outlines that will soon be available on the NASD Regulation Web Site. The changes will appear in examinations administered starting on July 2, 2001.

**Questions/Further Information**

Questions concerning this *Notice to Members* may be directed to one of the following persons in NASD Regulation's Testing and Continuing Education Department: Karen Bescher at (240) 386-4677; Eva Cichy at (240) 386-4680; Carole Hartzog at (240) 386-4678; Nicole Hillman at (240) 386-4681; or Elaine Warren at (240) 386-4679.

**Background/Discussion**

The Series 24 Examination qualifies an individual to manage or supervise the member's investment banking or securities business for corporate securities, direct participation programs, and investment company products/variable contracts. The Series 62 Examination qualifies an individual as a representative for the solicitation, purchase, and/or sale of corporate stocks, corporate bonds, rights, warrants, real estate investment trusts, collateralized mortgage obligations, and securities of closed-end companies registered pursuant to the Investment Company Act of 1940. The Series 26 Examination qualifies an individual who will

function as a principal for the solicitation, purchase, and/or sale of redeemable securities of companies registered pursuant to the Investment Company Act of 1940; securities of closed-end companies registered pursuant to the Investment Company Act of 1940 during the period of original distribution only; and variable contracts and insurance premium funding programs and other contracts issued by an insurance company, except contracts which are exempt securities pursuant to Section 3(a)(8) of the Securities Act of 1933.

The staff of the Qualifications Department of NASD Regulation, in conjunction with an industry committee (consisting of investment bankers, sales managers, compliance officers, mutual fund managers, and training personnel) recently undertook a review of the Series 24, Series 26, and Series 62 examination programs. As a result of this review, NASD Regulation has revised the examination specifications, study outlines, and question banks to reflect changes to the rules, regulations, and products covered by the examination programs. In addition, the Series 26 Examination material has been reorganized into five substantive categories of critical functions that a Series 26 principal may be required to perform – hiring and qualification; training of representatives; supervision; sales practices; and business processing and recordkeeping.

In order to adequately test the material covered on the revised Series 24, Series 26, and Series 62 Examinations, the number of questions on each examination has increased: the Series 24 increases to 150 questions from 125; the Series 26 increases to

110 questions from 100; and the Series 62 increases to 115 questions from 100. The allowed testing time for these examinations also will change to 3 1/2 hours for the Series 24; 2 1/2 hours for the Series 26; and 2 1/2 hours for the Series 62.<sup>1</sup>

Administration of the revised examinations will start on July 2, 2001 at all NASD Regulation-approved testing centers.

### Availability Of Study Outlines

The study outlines for the revised examination programs will soon be available from the NASD Regulation Qualifications Web Page at [http://www.nasdr.com/5200\\_explan.htm](http://www.nasdr.com/5200_explan.htm).

### Endnotes

- 1 These changes were submitted to the SEC (for immediate effectiveness) on March 26, 2001 in rule filings SR-NASD-2001-22 (Series 26) and SR-NASD-2001-23 (Series 24 and 62).

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