

FINRA-SERIES-6^{Q&As}

FINRA Investment Company and Variable Contracts Products
Representative Examination (IR)

**Pass FINRA FINRA-SERIES-6 Exam with 100%
Guarantee**

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.pass2lead.com/finra-series-6.html>

100% Passing Guarantee
100% Money Back Assurance

Following Questions and Answers are all new published by FINRA
Official Exam Center

- ⚙️ **Instant Download** After Purchase
- ⚙️ **100% Money Back** Guarantee
- ⚙️ **365 Days** Free Update
- ⚙️ **800,000+** Satisfied Customers



QUESTION 1

Joan is a customer of GetErDone Broker-Dealers. Her twin sister, Jean, has accompanied her to GetErDone's office and has gathered some information regarding opening an account with the firm, giving it her contact information at the same time.

Under Regulation S-P, which of the following statements regarding GetErDone's handling of Joan's and Jean's personal information is true?

- A. GetErDone must provide Joan with a notification of its privacy policies annually and provide her with information on how to mandate that it not share her nonpublic personal information with nonaffiliated third parties.
- B. GetErDone can disclose any information that Jean provided them to nonaffiliated third parties since Jean is not a customer of the broker-dealer.
- C. GetErDone is required to have provided Jean with a copy of its privacy policy when she inquired about opening an account with the broker-dealer.
- D. All of the above are true statements.

Correct Answer: A

Explanation: Since Joan is a customer of GetErDone, GetErDone must provide her with a notification of its privacy policies annually and provide her with information on how to mandate that it not share her nonpublic personal information with nonaffiliated third parties. GetErDone may not disclose any information about Jean, who is not yet a customer of the firm, unless the broker-dealer has provided Jean with its privacy policy and given her the opportunity to opt out of its ability to share her information with nonaffiliated third parties. GetErDone is not required to have provided Jean with a copy of its privacy policy when she inquired about opening an account, but it will need to provide her with one when/if she becomes a customer.

QUESTION 2

Dr. Floss has just earned his dental degree and wants to establish a private dental practice. He has had a bit of sticker shock at the price of all the equipment this will require him to purchase. Because he still has a large student loan to repay, he has been unable to borrow any money from his financial institution. To raise capital, he decides to sell fifty ownership interests of \$1,000 each to interested investors and takes out a full page ad in a local newspaper to advertise this investment. In this scenario:

- A. Dr. Floss has not violated any laws since the notes have a face value of only \$1,000 and he is selling them to a maximum of 50 different investors.
- B. Dr. Floss can be charged with criminal fraud under the provisions of the Securities Exchange Act of 1934.
- C. Dr. Floss has violated the provisions of the Securities Act of 1933 and may face civil penalties.
- D. Dr. Floss has not violated any laws since these ownership interests do not fall under the definition of a security.

Correct Answer: C

Explanation: If Dr. Floss offers fifty ownership interests of \$1,000 each for sale to interested investors, he has violated the provisions of the Securities Act of 1933, which requires that new securities be registered unless they are exempt from registration, and may face civil penalties. There is no evidence that he has made any misrepresentations or otherwise attempted to defraud investors, so he is not subject to criminal fraud charges. The ownership interests do fall

under the definition of a security.

QUESTION 3

Which of the following persons is not subject to the fingerprinting requirements of the Securities Exchange Act of 1934?

- I. a registered transfer agent of a securities exchange
- II. a firm that engages only in the sale of mutual fund shares
- III. a receptionist at a brokerage firm who answers phones and directs calls to the agents employed by the firm
- IV.
a market maker in the over-the-counter market

A.

I and III only

B.

II and III only

C.

II, III, and IV only

D.

III only

Correct Answer: B

Explanation: Only Selections II and III are not subject to the fingerprinting requirements of the Securities Exchange Act of 1934. Firms that engage only in the sale of open-end investment company (mutual fund) shares, as described in Selection II, are exempt; and employees who do not engage in the sale of securities or activities involving any aspect of the securities or monies of a non -exempt firm are exempt, which is the case for the receptionist at the brokerage firm described in Selection III.

QUESTION 4

Your client, Mr. Whiff, knows nothing about investment companies, and you are educating him about the advantages of investing through one, rather than investing in individual stocks and bonds.

Which of the following statements could get you in trouble?

A. "In investing through an investment company you will be able to invest a small amount of money and achieve greater diversification than you could otherwise."

B. "Investing through an investment company will result in a lower tax bill than had you invested in individual stocks and bonds."

C. "An investment in an investment company gives you an undivided interest in the company, in proportion to the number of shares you own."

D. "By investing your money through an investment company, you are getting the benefit of professional management."

Correct Answer: B

Explanation: The statement that could get you in trouble is, "Investing through an investment company will result in a lower tax bill than had you invested in individual stocks and bonds." Improved tax planning is not a benefit of investing through an investment company since the fund's manager cannot make investment decisions based on the tax status of each of the fund's shareholders. An investor who actively manages his own portfolio is better able to lower his tax bill.

QUESTION 5

Ms. Newbie, a registered representative employed by Savvy Investments, has received a letter of complaint from a client that Ms. Newbie believes is unfair and illegitimate. More specifically, she believes that the complaint misstates the facts. Under these circumstances, Ms. Newbie:

A. can toss the complaint in the trash.

B. must respond to the complaint in writing.

C. must provide a copy of the complaint to Savvy Investments, who can decide whether or not to ignore the letter after hearing Ms. Newbie's side of the story.

D. must provide a copy of the complaint to Savvy Investments, who is required to respond to the complaint in writing and to keep a record of it.

Correct Answer: D

Explanation: If Ms. Newbie receives a letter of complaint from a client, she must provide a copy of the complaint to Savvy, who is required to respond to the complaint in writing and to keep a record of it. It doesn't matter whether or not the complaint is deemed to be unfair and illegitimate by Ms. Newbie and/or her employer, Savvy.

[FINRA-SERIES-6 VCE
Dumps](#)

[FINRA-SERIES-6 Study
Guide](#)

[FINRA-SERIES-6
Braindumps](#)