

Ep #208: How to Pass the Required Securities Exams On  
Your First Try with Brian Lee



# NEW PLANNER PODCAST



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## Ep #208: How to Pass the Required Securities Exams On Your First Try with Brian Lee

Welcome to the *New Planner Podcast*, where it's all about helping you successfully enter the financial planning profession and accelerate your financial planning career.

This podcast will help you understand the profession, become familiar with the various career paths available to you, and avoid the mistakes that limit your success.

Join your host, Caleb Brown, to explore the human side of creating a successful planning career through interviews, personal experience, and insights from the trenches.

Let's get started.

**Caleb Brown:** Welcome to the 208<sup>th</sup> episode of the New Planner Podcast. This is Caleb Brown, your host. My guest today is Brian Lee, who is the founder of TestGeek Exam Prep, a company that helps students pass their required securities exams. Brian discusses how his materials and review classes help test-takers pass the first time, and how his strategy of “condense and illustrate” works for most people.

He also talked about the differences between FINRA and NASAA, and what licenses are associated with each, a detailed explanation of how to pass the Series 65, plus the biggest mistakes he sees students making in their study game plan, and how his programs aren't a standalone solution.

He also shares what parts of the Series 65 are often the most difficult and how to properly structure a study strategy and game plan for test day. I hope you enjoy this episode with Brian Lee.

Hi, Brian, welcome to the New Planner Podcast.

**Brian Lee:** How are you doing, Caleb? Thank you so much for inviting me on today.

**Caleb Brown:** I'm doing great. I've been looking forward to this and I mentioned before we got on the air that when I was doing the research for my book last year, *Finding Your Path*, I interviewed a couple of people who recently passed the Series 65 and they mentioned you, so we included you kind of a quasi testimonial, if you will, for just helping them get through and just, I wanted to have you on. I mean, how did you get into test prep and series 65 and 7 and SIE specifically?

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**Brian Lee:** Well, I'll give you the short version of it. I started with a small, they refer to these as boutique brokerage houses, right? Very small firm in Portland, Oregon. Right out of college, I was a high school science teacher. I was looking for a different path.

I found the brokerage firm in Portland and they were brand new, adding a lot of personnel and said, "Brian, since you're a teacher, can you help these guys pass the Series 7?" And that's where it all started. But the first 20 guys that came through my little course all passed. And I realized, "I think I just found my niche in life." It actually turned out to be that way. It's been an incredible ride since 1995. It really has. I love doing it. I really do.

**Caleb Brown:** 1995, man, I cannot believe that. I mean, I took it back in like—

**Brian Lee:** No, that's a long—I can't either.

**Caleb Brown:** 2000, 2004. A long time ago. 'Cause when I was, I had passed my CFP and the RIAS in Texas submitted the information on the U4, and I said, "Okay, he's got to see." And they came back and the state securities board said, "No, you have to have the credential. If you don't have the credential, you're not exempt. He's got to go take the series 65." So I went like scrambled around and went and bought a book and studied for a couple of weeks and ended up passing it.

But, and it worked out, but I'm just looking at your website and just your, I mean, maybe just talk a little bit more about that. Like, it makes sense. You're a teacher. You're coming up with this, but so you just record these video classes and these lectures and then people spend a couple hours. I mean, just walk us through what the program is.

**Brian Lee:** The video courses actually have been a recent kind of progression in what I have done. I used to teach live classes every single week. I took the Northwest United States, Portland and Seattle predominantly, and taught every week. Series 7 predominantly, as well as the 65, and the 66, and the 23, and the 24. I taught them all. And I find that since I had gone through all those exams myself, that reading through those textbooks, Caleb, is a chore.

It is an absolute grind. And I don't want to bad mouth the textbook publishers too much, but boy, four, six hundred page textbooks, three thousand practice questions. I just found them to be quite superfluous, just too much and very technical information, again, depending on which exam you're talking about.

So what I wanted to do was condense it and illustrate it. I find that 65 to 70% of learners are visual learners, so that's typically how I like to present the material. One person

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gave me the analogy, this is, “The textbooks teach you about trees. Brian, you tell them where the trees live.” I thought that was a pretty good analogy, so I kind of used that.

So I try to condense it and illustrate the content so it can be retained for one and answer some of those very ambiguous questions, too. So that's kind of what I did and how I did it. And to be quite honest with you, I've been really successful at doing it. And I just love doing it. And it was actually the start of TestGeek, which is an entirely another story when I finally wrote my own content. So, Caleb, I think of myself as a bridge between the textbook publishers and the real exam. The textbook provides one foundation passing and finishing the exams is the other foundation. And you can't build a bridge without two strong foundations. And that's what I did. I tried to build that bridge.

**Caleb Brown:** I gotcha. So, are you saying like if I'm a student, can I come to you and just say, “Look, I just want to listen to the class and do it?” I mean, I have a shot at passing or do I need to go get the textbook and use yours in conjunction with that?

**Brian Lee:** I make it very clear upfront. I am not a standalone solution. I wish I could, that's a whole different thing that I am not. As a matter of fact, I get emails to that effects, Caleb, all the time. “Hey, can I just get your video?” I said, “No, you got to build that foundation.” The textbook, that's the grind and all the 700 pages, 600 pages, whatever it is, that's the grind, right?

And we all know that you read 600 pages, you might retain what 20% of it, maybe. And then I come back again, condense it and illustrate it. I sometimes tell people I make premium vodka out of mashed potatoes. I like to think that's what I do, right? So that's what I do. And again, that was the origin of TestGeek exam prep.

I wanted to write, especially those NASAA exams, the RIA space, the 63, 65, 66 exams. When you start talking about the legal definitions of broker-dealers and agents and IAs and IARs, and it goes on and on for 85 pages, I've reduced it to three. And I think I've done a pretty good job of it. It's like, “Oh, okay.” And I tell people, it's the first thing you got to learn about those exams is you got to know those—

**Caleb Brown:** How many, I mean, I'm assuming you keep records, approximately how many people have gone through your system?

**Brian Lee:** Since 2018, when I started doing the video courses, we are currently averaging over 300 a month. I don't have a grand total for you. Since 2018, I haven't totaled all that up. I usually do it on a quarterly and an annual basis. And changes from quarter to quarter and year to year, but I haven't totaled it up. I got a financial total, but I don't know if we want to go there.

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**Caleb Brown:** You mentioned NASAA and FINRA. So can you just, and maybe we should have taken a step back, just understand, I mean, I recruit for a lot of RIAs. So can you just explain sort of what NASAA is and why you need the Series 65?

**Brian Lee:** When I first entered the industry in the early to mid-90s, a broker-dealer was a broker-dealer, an insurance company was an insurance company, bank was a bank, and the private wealth managers or IAs, they were all really separate entities because of some of the laws that have changed in the 90s. Now, they can be just about whatever they want to be. They can be both broker-dealers and IAs. Banks are still kind of prohibited by an old law from 1934 that they still have to separate out from the banking industry, a broker-dealer and IA and that's where a lot of confusion, Caleb, comes from because many of these firms wear many hats.

They can be broker-dealers and IAs and owned by a big bank. So prior to all of that, the administration to all of those was a lot more simple. Simpler. You had FINRA, actually, it was the old NASD, which then changed in 2007 to FINRA. That's primarily the broker-dealer side, which is primarily a mission-based.

In other words, you only, the firm and the rep only gets compensated for transactions. That was the old standard way for many, many, many years and decades, and when I first got into business. It changed very quickly after I got into business. When these firms started merging and becoming both and wearing all the same hats at the same time, or different hats at the same time, then we also saw the other regulator, the other administrator, the North American Securities Administrators Association.

They are the state registrars, state regulators for movements and IAs. So again, when all of those merge, now you have to get both of the exams, the FINRAs and the NASAA exams. That's pretty much, FINRA is a national administrator on what we call an SRO, Self Regulatory Organization, that predominantly administered broker dealers. NASAA are basically state administrators that regulate IA's. Simplistically, that's about where it is.

**Caleb Brown:** And that's NASAA, N-A-S-A, not NASA, like firing rockets in the—

**Brian Lee:** Not the rocket scientists. No.

**Caleb Brown:** Okay. And then the Series 65, you need that, I think you touched on this a little bit, to charge a fee for investment advice.

**Brian Lee:** That's right. So the IA space, as opposed to the broker-dealer space, are not transaction or commission-based. They are fee-based, which means they

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essentially charge a fee for financial services, financial advice. That's the legal definition. But again, simply what that means is dominantly, it's an asset under management fee, what we call an AUM. So if you bring in a hundred thousand dollars, I'll charge you 1% a year for managing those assets. And that's the IA or fee-based side of it.

**Caleb Brown:** But your programs, you have, well, what do you offer? I mean, you offer—

**Brian Lee:** I offer them all. I offer both the federal, the broker-dealer side, and the IA side. Again, because today a lot of firms, especially the big major firms, the Merrill Lynchs, the Morgan Stanley's, you name any of the major banks, they all are these firms that wear the multiple hats, the broker-dealer hats, the IA hats. So for example, if you get hired at Merrill Lynch, you'd have to get Site E, Series 7, or the FINRA side. And then you'd have to get the Series 65 or Series 66, and that's another issue on the IA side. So that's why you have to have those multiple license because your firms wear multiple hats, both the broker-dealer and the IA.

**Caleb Brown:** My students at University of Georgia, we, in our practice management class, I go over this at the very beginning of the semester and we spend a lot of time on it. Broker-dealer, I mean. They are massively confused, and I ask them questions at the semester, and it's like, they just, there's just a lot of confusion around this.

**Brian Lee:** There really is. It's difficult. Yeah.

**Caleb Brown:** Okay, so talk to us maybe a little bit about more of the courses that you have. I mean, and as you've worked with students, so it sounds like is it only the—you don't do the in-person anymore? Is that right?

**Brian Lee:** That's correct. I am not doing, and the pandemic pretty much wiped most of the live classes out now. And I had just happened to create the video courses, a year, two years prior to that. So I was already pretty well in line for online courses. I do some online, I do some online reviews via zoom and teams and those sorts of things.

But predominantly it's all online videos now, and online PDFs, and those sorts of things. So again, what I found, Caleb, was trying to read those massive textbooks. We've all done it. Everyone who's taken one of these exams have had to pour through those textbooks. If anyone is listening to the podcast who's currently reading through the textbook, you know exactly what we're talking about.

It's difficult. So again, I encourage them to get through it the best they can. Then they come to me and I'll condense all of it, illustrate it for them. I'll draw, I draw pictures and

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arrows and boxes and that's what you're trying to do is you try to organize that information mentally to help you retain it and recall it for test purposes.

**Caleb Brown:** But at this point, you've worked with a lot of students and seen a lot of people go through your program and other programs. What are the biggest mistakes that people make going into these exams?

**Brian Lee:** It's having a structured plan. It really, really is. That is job number one. As a matter of fact, I wrote a little blog, oh boy, I don't know, 10 years ago or so, saying, these are the steps you need to do, right?

Oftentimes, Caleb, it surprises me that some of these folks that come to me, and probably from smaller firms or firms that don't really specialize in the financial services. Now they're saying, "Hey, Joe, Hey, Jane, we want you to take one of these licenses. Here's the number to call. Here's how you get registered. Good luck." So they have no plan. They have absolutely no plan. I feel so sorry for these guys. So that's what I hope to do as well. I wrote this little blog so I gave them a step-by-step and step number one is getting through the textbooks and the practice questions the best you can. And like we've already said, you might retain 20, 25% of that.

And then I come in and that's it. Illustrate it and you go, "Oh, so that's the difference between a broker-dealer and an IA." I even draw them differently on the board. One's a square, one's a house, that kind of thing, and show them kind of what they do, how they do it, their commission base versus fee base, and what that means, and what the license is required, who regulates them? Try to illustrate in pictures and verbally what those entities are so they can understand it.

**Caleb Brown:** Maybe just talk a little bit about the, I don't think they publish S rate, but it's rather difficult. Can you just talk about sort of what the length of how many questions and sort of maybe what's on there that trips people up?

**Brian Lee:** The Series 65, yeah, I certainly can. I would suggest to everyone the content outline for any of these exams, especially this 65, the IA exam, is in the public domain. It's [nasaa.org](http://nasaa.org) and you can download that and you can actually see the content outline. As a matter of fact, my videos are constructed based on that outline.

My PDFs, my class notes that I provide with that, are based on that content outline. Now the trouble with it, all the different textbook publishers cop up and separate that material in all kinds of different ways, unfortunately. But that content outline tells you everything you want to know. And there are four areas, four subject areas.

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The largest area typically happens to be the laws and regs. And it's the area, right, that people struggle with the most at first. Who's a broker-dealer? Who's an IA? What's the disclosure requirements? What's the paperwork? What has to be signed? What has to be registered? Who has to be registered? All of those sorts of things.

But the irony of this, Caleb, is it turns out that for about 80% of the test takers, that tends to be their highest in the full scores. For one, I believe, the textbooks way overdo it. They way overdo that Law and Reg section. When I talk to folks who haven't made the grade the first time, it's usually the first and third section, which is economics and business information, which is really secret code for balance sheets and financial statements.

Which how many of us have had that kind of background, huh? Before we got into this business. So you have to know how to read a balance sheet. 'Cause again, the thought is that IAs are analyzing and constructing portfolios for customers. So they want you to know how to analyze stocks and bonds. So that's one section and it only has 20 questions on the Series 65.

So again, it has a little less of a priority for people. But it's one of the lowest areas they score in. And the other section are the investment vehicle. There's 32 questions on the Series 65 on investment vehicles. And it can be portions of just stocks and bonds, but it's also the derivatives, options and forwards and future contracts, some of the alternative investments, and some of the investment analysis, technical versus fundamental, discounted cash flow. I mean, if most of us don't have financial backgrounds. I mean, my college degree has nothing related to financial background and you have to learn all of that stuff. So those are the two areas that I typically find most people struggle with, section one and section two of the four content areas. And the laws and regs, ironically, they do the best at.

**Caleb Brown:** Laws and Regs were the first section. What was the second section.

**Brian Lee:** So I'll name the four of them for you. Section one is Economics and Business Information, 20 questions. Second section is Investment Vehicles, 32 questions. The third section is called Client Recommendations and Investment Strategies. It is a potpourri of content. It's everything. Types of accounts, economic theory, or investment theory, all sorts of things. And then the fourth section being, that's 35 questions, by the way, and—I'm sorry, 39 questions, and the Laws and Regs are also 39 questions for a total of 130 that's graded.

**Caleb Brown:** And all that's, I mean, I think we even have the outline in the book too. That's public info on the NASAA. Yeah. Okay. Good. Thanks for sharing that. That's helpful. I love that inside info there. And maybe just, so do you have, I mean, I know it's



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going to depend, but general, I mean, like to pass the CFP exam, for example, people have sort of backed into anywhere from 200 to 300 hours of study.

I mean, is there a rule of thumb like that on these Series 65 and some of these other ones like real, like—

**Brian Lee:** You're right, Caleb. I get that question a lot. And again, the laws and regs are the first thing that stick out in people's minds, right? It's one of the largest sections. It's all legalese. It's the definitions and registration requirements of the persons.

So that's number one. You do have to get through that. And again, that's kind of where I come in because I help kind of consolidate all that for people. But then, like I said, the next areas I would concentrate on are your financial statements and financial analysis. That's the tough part. That's the part that most of us have very little to no experience in.

And that's why I think my video courses are a bridge to help illustrate what they are, what they're used for, and most importantly, how it's tested. Three most important things, Caleb, that I learned when I first started doing this: what's on the test, how it most likely shows up on the test, and how you should answer it on the test.

Because here's another very secret key ingredient is learning how to take a multiple choice exam. It is easily the difference between a 68% and a 78% on this test. I kid you not, you must learn how effectively and efficiently to take a multiple choice exam. How many times do we get taught that in school, right? Zero. Being a good test taker really is instrumental in this test. It really is. And so I help with that with my video courses too. You can't overanalyze. You got to keep it simple. Stay with what you know. These sound like cliches, but they're so important.

**Caleb Brown:** But let's just talk logistic, like practicalness for me.

So I'm just got a job at an RIA and I want to take the Series 65. So I need to go bu—do you have providers at you? I mean, like, does it matter what provider?

**Brian Lee:** Well, when it comes to, again, when it comes to the Series 65, they all have kind of their warts. In the FINRA space, it's a little clearer who the better providers are, but in the 65 space, they all have certain warts, is what I call them.

Weaknesses and strengths. But Applin is probably one of the biggest. STC, which I believe was originally the stock broker training corporation based out of New York. Past Perfect is a third one. Training Consultants is a fourth one. Those are the four biggest. There are a lot of smaller, minor players.

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And if you don't mind me saying, I'd ignore them all. I wouldn't even waste my time with any of them. I'd stay with those big four. I really would. And if we had more time, I could even break those four down for you and show you the warts. And I think one of them, I don't know what they're trying to do there.

I think they're trying to teach you how to be successful in the industry more so than how to pass the exam, which in my world is not effective. One of them has by far the best online practice question platform, and that's Kaplan. And their security's ProQBank, I think is what they officially call it.

That platform is head and shoulders above everybody else, but their textbook is 600 pages long. So yeah, no, no problem whatsoever. And think about this too, Caleb, 'cause I don't know about your personal situation, but many people are coming into this industry from other industries, they're changing careers and they might even still be working full time with this other career and then trying to add on to this and try to study this.

That's amazing. Not to mention you got a two-year-old at home. There's all sorts of problems in the logistics of studying for these things. And I tell people, "If this thing's not part of your life every single day, you will not pass." Some people will do a couple of days a week, couple of days this week, three days next week, and they stretch it out six, eight months.

Guess what? They won't pass either. It's gotta be part of your life. So another part of that process is I try to tell them to build study blocks each and every day, wherever you can build an hour, 90 minutes, two hours, whatever it is. And you can diversify that, those study blocks. Partly reading, partly practice questions, partly video courses, whatever.

All right. That's a big key to this is that structure. You and I were talking about, Caleb, you've got to have that structure when you study for these things. You just can't go in this and hope to, I still get people who say, "Well, I just came in, yeah, I looked at the book for about a week and then went in just to see what it was all about." And they wonder why they get a 53. So yeah, there's just no way it has to be structured. It really does.

**Caleb Brown:** Okay, so I go through one of these, I buy a book of materials, go through some questions, get through the regs, the regulations and the laws, and then I can come to you and sign up for one of your video courses? Is that the way?

**Brian Lee:** That's right.

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**Caleb Brown:** And then how long is the video? How long does the video course take?

**Brian Lee:** Again, depending on the course, if we're sticking with the Series 65, it mirrors, Caleb, exactly, precisely what I did in my live class. I oftentimes tell people, "I think my videos are the closest things to a live class."

It feels like a live class. I'm in front of a classroom. I got the whiteboard behind me and it actually feels like a classroom. So yeah, in the timeline, in the perfect world, it's the textbook and practice questions. Then it's my video course to consolidate and condense all that stuff. And then the third pillar to all of that are the practice finals, right?

You want to simulate the actual test-taking environment, the actual test, the best the law allows because that's another hurdle. No one's allowed to pay test questions, right? So we got to get as close as possible without going over the line, right? And that's more art than science. It really is.

It's difficult to do. So, but that's absolutely right. So it's the textbook and the practice questions, then it's my video course. Now, some people actually merge those two together, but again, depending on how the textbook is arranged, you might not be able to do that effectively,

**Caleb Brown:** Brian, I really appreciate you come on sharing this. I mean, this is a lot of good inside info and what helped me out a long time ago when I was taking this, I didn't know about you. And that's why I want to—I want our audience to know about you. Any final tips or thoughts, or you've given us a lot of sort of inside tricks and things, but anything else you'd like to share before we close out.

**Brian Lee:** I often participate in a live stream and I always end the live stream with this. And again, I know it sounds like cliches, but it's so important. Make sure you keep it simple. Stay with what you know, you take the test, don't let the test take you.

**Caleb Brown:** Got it. Brian, thanks so much for coming on the show.

**Brian Lee:** Thank you Caleb for having me. I sure do enjoy it. Thank you.

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[newplannerrecruiting.com/roadmap](http://newplannerrecruiting.com/roadmap).

There, you'll also find more tools and resources all created to help you build a successful financial planning career.

Tune back in next week for another episode, and until then, we are here to help you succeed.