



Each rule proposal must be judged by its original intent and what compromises are being made to gain support for it. If the regulators want retail clients to see BrokerCheck then they should mandate that account opening packages include paper copies of the BrokerCheck info with a statement saying that the customer can ask any question about the contents of the documents. Furthermore the belief that web based content reaches everyone is highly suspect in a country where only half the population own or use a computer.

<http://abcnews.go.com/Technology/story?id=119358&page=1>

A 75 year old investor faced with 75 pages of BrokerCheck content will not be helped. Nor will a person of limited sophistication who received a large disability or severance payment be helped. In addition the abbreviation of much complex information on broker-check presents issues of fairness to brokers and their reps and is difficult for many persons to understand. This is particularly true for U-5 terminations where firms will reduce to a few words the reason that a person has left the firm in order to avoid defamation allegations. Additionally a criminal felony charge stemming from a traffic violation will almost certainly intimidate both customers and future employers. The commission should reassess this ad hoc approach to protecting customers by asking what does the customer need or want to know. Does a customer need to know that a broker was terminated from his previous firm because he objected to their ethical practices? The U-5 probably will not tell him that. There is no need for the U-5 to include anything about termination except when it was done based upon a finding of a rule violation. There is no need to know about felonies

unless they involve fraud or embezzlement or theft. There is a reason to know that the firm settled 10 disciplinary cases for monetary fines in the last 5 years.

Finally this proposal like so many proposed rules has a disparate impact on small firms. Putting aside the costs of updating a web site-if a small firm has one failure to supervise that finding will stand out when compared to a big firm with multiple complex settlements that the average investor's eyes will glaze over. There is no other industry that pushes the limits of such disclosure as the securities industry which has little data on how important such disclosure is to the investor. I would suggest that a better way to do this would be a mandated disclosure of disciplinary actions and civil actions and settlements with the new account package that reads as follows;

*As the client of a regulated financial institution you have the right to know many things about our firm and your broker. Among those things are disciplinary actions ,civil lawsuit and arbitration settlements and recruiting compensation packages. If these matters are of interest to you please call our customer service number before you transact any business with us. If you are unsatisfied with our responses we will be glad to recommend another broker. Investing is a serious endeavor and you should be sure of our firm and your representative before you do so.*

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