Concerning:
Release No. 34-61927; File No. SR-FINRA-2010-012
Proposed Rule Change to amend FINRA Rule 8312

As a CCO of a broker-dealer, I do believe that BrokerCheck can play a significant role in protecting investors in the financial services landscape that has developed. It has helped the firm when considering an applicant prior to submission of an U4. However, I do not believe that further expansion of the BrokerCheck program is warranted. I encourage FINRA to revise the report format to make it easier to read and understand with pertinent information, therefore, truly providing investor protection.

The investing public would gain nothing from information that is ten years old concerning former associated persons. If the person is permanently barred from the Association, that should be published, but to publish the following on a former associated member would serve no purpose to the investing public.

- The person was convicted of or pled guilty or nolo contendere to a crime.
- The person was the subject of a civil injunction in connection with investment-related activity or a civil court finding of involvement in a violation of any investment-related statute or regulation.
- The person was named as a respondent or defendant in an investment-related, consumer-initiated arbitration or civil litigation which alleged that the person was involved in a sales practice violation and which resulted in an arbitration award or civil judgment against the person.

The BrokerCheck should only be current information that is relevant so that an investor could make an intelligent and informed decision as to whether he or she would want to work with a particular person or entity. Anything more or less would be a disservice to the investor. I do not believe that it is the responsibility of investors or users of BrokerCheck to combat fraud. That duty belongs to the regulatory bodies.

I applaud FINRA for the commitment to continue to evaluate all aspects of the BrokerCheck program and to consider whether greater disclosure of information through BrokerCheck should be made in the future and to make information available to the public, but I do not believe it serves as the best way to protect investors. The best way to protect investors is to have a robust disciplinary system in place that will take care of the rogue representatives and financial institutions. The SEC and FINRA need to apply the rules and regulations that are in place. They

need to have examiners with integrity that know those rules and regulations and how to apply them during an examination. The examiners need to know the business models being examined and be able to recognize red flags that need further examination. The examiners when detecting red flags need to be diligent about escalating such information and following through to assure further examination has occurred.

It is imperative that FINRA establish a process to dispute the accuracy of (or update) information disclosed through BrokerCheck. There are investors that are savvy in the ways of recouping their market losses. These investors are aware of the ways to file a complaint against a financial representative. All they have to do is file an allegation that the sale was unsuitable. In order to save time and money, the firm will settle or pay the claimant off just to make the complaint "go away". Obviously, this does not look good in a report; it gives the appearance the firm or representative was culpable. When the financial representative did nothing wrong, has record of all necessary forms and documents available to prove the sale was suitable and the proper disclosures were signed by the client; this type of complaint should not be made public. Further, public disclosure of all historic or current complaints will work counterproductively to what FINRA is attempting to accomplish. It will serve to confuse the investors not provide clarity to the as to whether a broker or firm is worthy of their business.

In order to give clarity to the complaints shown on BrokerCheck, complaint categories should be formed to include "Abandoned" or "Denied" and "Customer Disputes" should be completely separate from "Disciplinary" and "Regulatory Events". The way it is laid-out it leads the investor to a wrong assumption. Investors are unable to appropriately weight these "Abandoned" or "Denied" complaints against other serious, substantive complaints.

I also applaud FINRA in conducting a study of advantages/disadvantages of further centralizing CRD and IARD information, what information is pertinent to investors, and how such information should be identified and displayed to investors. I urge FINRA to include in this study the ramifications of displaying incorrect and/or irrelevant information on BrokerCheck concerning brokers and firms.

If BrokerCheck is to be a free tool to help investors research the professional backgrounds of current and former FINRA-registered brokerage firms and brokers, it needs to be fair and balanced, it needs to correctly identify circumstances that are relevant to such research and it needs processes and procedures (checks and balances) to assure the integrity of the program. Then it can be a valuable resource investors turn to when choosing whether to do business or continue to do business with a particular broker or brokerage firm.

Respectfully submitted,

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