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*Via Email Only*  
[rule-comments@sec.gov](mailto:rule-comments@sec.gov)

February 13, 2013

Ms. Elizabeth M. Murphy  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

**Re: SR-FINRA-2013-002 -- Proposed Rule Change to Amend FINRA  
Rule 2267 (Investor Education and Protection)**

Dear Ms. Murphy,

I write on behalf of the Public Investors Arbitration Bar Association ("PIABA"). PIABA is an international bar association comprised of attorneys who represent investors in securities arbitrations. Since its formation in 1990, PIABA has promoted the interests of the public investor in all securities and commodities arbitration forums, while also advocating for public education regarding investment fraud and industry misconduct. Our members and their clients have a strong interest in FINRA rules relating to both investor protection and disclosure.

PIABA supports FINRA's efforts to make BrokerCheck more accessible for investors. FINRA has long recognized the importance of BrokerCheck as a source of critical information for the public investor. Since the system was established in 1988 (then known as the Public Disclosure Program), the means of accessing information about associated persons and broker/dealers have evolved and improved dramatically: from information requests via U.S. mail or facsimile, to include oral requests via a toll-free telephone number and requests by email. Now, anyone with an Internet connection can access BrokerCheck reports instantly through FINRA's website.

While it is easier than ever for investors to access BrokerCheck, there is a troubling gap in general knowledge about the existence and use of BrokerCheck. As noted in this Proposed Rule Change, a 2009 study of financial capability in the U.S. (prepared for the FINRA Investor Education Foundation) found that only 15% of survey respondents claimed that they had checked a financial advisor's background with a state or federal regulator. See also Regulatory Notice 12-10, footnote 9. As also noted in this Proposed Rule Change, more recent focus group surveys found that many participants were unaware of BrokerCheck.

Current Rule 2267 requires FINRA member firms to provide in writing to each customer, only once per year, the general BrokerCheck telephone number and website address. Member firms must also give notice, again only once per year, that an investment brochure containing BrokerCheck information is available to customers. Certain member firms are excluded from even these minimal disclosure requirements regarding the very existence of BrokerCheck.

PIABA strongly believes that the amendments to Rule 2267 proposed in SR-FINRA-2013-002 are in line with FINRA's commitment to improving public access to investment advisor and broker-dealer registration information. A September 2012

survey conducted by the Pew Internet and American Life Project found that 81% of adult Americans use the Internet, and of that group, the vast majority looks for information online about a service or product they are thinking of buying. Simply put, a public investor is very likely to look at a member firm's or associated person's website or social media page for information. By requiring a prominent, uniform text description (drafted by FINRA) and hyperlinks to not only BrokerCheck but a page specific to that member or associated person, FINRA will greatly improve public use of BrokerCheck. By natural extension, it will also improve public access to and use of FINRA's other investor tools on its [www.finra.org/Investors](http://www.finra.org/Investors) webpages.

With the proposed hyperlink tailored to directly link to a particular firm's or individuals' BrokerCheck search result, PIABA requests that this resulting report be available as a webpage rather than as a stand-alone PDF document. Doing so would allow the investor to then easily click on links back to the BrokerCheck homepage for another search, to FINRA's general website, or to other information. Embedded links to pop-up explanations of terms or cross-references could also be included in the page. In general, this Proposed Rule Change presents a great opportunity to overhaul the design and format of the summary report and/or the full detailed report for easier reading by the viewing public. These reports, and in particular the disclosure pages, could be improved by simple formatting changes.

PIABA strongly encourages FINRA to consider the range of Internet user ages and capabilities in determining the size, clarity of description, and mandatory placement of the required text description and hyperlink to BrokerCheck. The description should be large and distinguished from other "boilerplate" text unlikely to be closely read.

The most prominent location for the BrokerCheck description and hyperlink may be its placement on customer account statements. PIABA requests that FINRA consider this additional application. Compliance would be no more difficult for electronically produced statements, and an investor would gain the repeated message of BrokerCheck's availability in the place he or she is most likely to regularly review.

Specific to this proposed change to Rule 2267, PIABA notes that the amended rule language may raise questions as to what constitutes a "comparable Internet presence" for purposes of identifying what webpages must display the description and hyperlink to BrokerCheck. We request clarification on this topic in future Regulatory Notices.

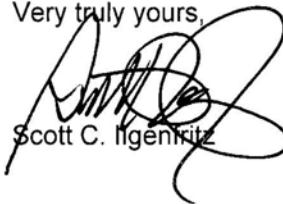
In addition to these issues of public awareness and access to the BrokerCheck website, we believe that FINRA can improve investor education and financial literacy in other ways:

1. PIABA encourages FINRA to harmonize the information available on BrokerCheck with information available from state regulatory websites, such as Florida's. This additional information may include a broker's educational background and professional designations.
2. PIABA requests that FINRA eliminate the artificial time limits on what information must be disclosed on BrokerCheck. Lapse of time should not take critical information away from the investing public.
3. PIABA asks that FINRA consider making BrokerCheck information available to for-profit companies who may make this information more accessible, or offer comparative reports about different member firms or associated persons. So long as FINRA continues to support a free basic level of service through BrokerCheck, PIABA supports the idea of private companies who may enhance public education through data analysis services.

4. In addition to making BrokerCheck more accessible, investors should have easier access to information about fees paid by the customer to the financial institution. The most successful way to do this would be requiring investment institutions to prominently display the amount of fees charged on the first page of customer account statements. PIABA believes that to be most effective, this fee disclosure should include both the dollar amount of fees charged for that statement time period and year to date, and the annual percentage fee charged with respect to both the net asset value of the account and as a percentage of the net gains and losses for the account. These figures are a basic "red flag" for potential misconduct in the account.

PIABA appreciates and supports FINRA's commitment to investor protection. We recognize that FINRA has made many improvements to BrokerCheck and other investor educational resources on its website. We hope that with this amendment to Rule 2267, more public investors get the benefit of discovering and accessing those resources. Thank you for giving us the opportunity to comment.

Very truly yours,



Scott C. Hegenritz