



NASAA

---

**NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.**

750 First Street N.E., Suite 1140

Washington, D.C. 20002

202/737-0900

Fax: 202/783-3571

www.nasaa.org

April 27, 2012

**Via electronic submission to [pubcom@finra.org](mailto:pubcom@finra.org)**

Ms. Marcia E. Asquith  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington DC 20006-1506

Re: Comments in Response to Regulatory Notice 12-10

Dear Ms. Asquith:

NASAA appreciates the opportunity to comment on Regulatory Notice 12-10 regarding efforts to facilitate and increase investor use of BrokerCheck information. Historically, NASAA has supported FINRA's initiatives to expand the scope of information available on BrokerCheck while tempering such support with disappointment that there continue to be restrictions placed on the information available through the system. States routinely provide background information on firms and associated persons via state public records laws (in the form of CRD snapshot reports) and believe that this information is critical to investors as they seek out competent and trustworthy investment professionals. As in the past, NASAA encourages FINRA to expand the breadth of information provided to investors through BrokerCheck. To this end, NASAA supports the SEC's recommendations made pursuant to Section 919B of the Dodd-Frank Act, and submits its own further suggestions below.

As an organization focused on investor protection, NASAA vigorously supports efforts to increase transparency and disclosure. Currently, there is a gap between the information that is provided in BrokerCheck reports and CRD snapshot reports provided to the investing public by state securities regulators. NASAA believes that the BrokerCheck system reports should include all of the information that a CRD snapshot would provide, absent a compelling reason to do otherwise. For example, NASAA believes that BrokerCheck reports also should include such information as a broker's educational background, continuing education history, and CRD/IARD filing history as well as the reason for and comments related to a broker's termination. Additionally, NASAA believes that FINRA should discontinue the practice of placing time limits on disclosure, such as the 10-year limit on the inclusion of bankruptcies in BrokerCheck reports.

Although not discussed in the Regulatory Notice, NASAA also recommends that, where an associated person or firm is currently or in the past has been involved in an arbitration involving an allegation of a sales practice violation, BrokerCheck include a link that will include

---

President: Jack E. Herstein (Nebraska)  
Vice President: A. Heath Abshire (Arkansas)  
Past-President: David Massey (North Carolina)  
Executive Director: Russel Iuculano

Secretary: Rick Hancox (New Brunswick)  
Treasurer: Fred Joseph (Colorado)  
Ombudsman: Matthew Neubert (Arizona)

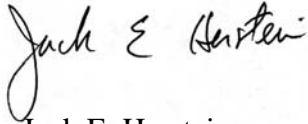
Directors: Steven D. Irwin (Pennsylvania)  
Melanie Senter Lubin (Maryland)  
Andrea Seidt (Ohio)  
Patricia D. Struck (Wisconsin)

Ms. Asquith  
Comments in Response to Regulatory Notice 12-10  
Page 2 of 2

the relevant arbitration materials (e.g. the statement of claim, the response, and the award). Currently, BrokerCheck provides a link to arbitration awards but this is limited to final awards against associated persons. NASAA urges FINRA to expand the information to include statements of claim, answers, and the final decision regardless of whether a complainant has received a favorable ruling. Similar information involving civil litigation is publicly available in courthouses across the country.

Thank you again for the opportunity to comment on ways to facilitate and increase investor use of BrokerCheck information. NASAA is encouraged by FINRA's efforts to increase transparency and improve the BrokerCheck system. Should you have any questions regarding the comments in this letter, please do not hesitate to contact Joseph Brady, NASAA General Counsel, at [jb@nasaa.org](mailto:jb@nasaa.org) or 202-737-0900.

Sincerely,

A handwritten signature in black ink that reads "Jack E Herstein". The signature is written in a cursive style with a large initial "J".

Jack E. Herstein  
NASAA President and  
Assistant Director, Nebraska Department of Banking and Finance, Bureau of Securities