



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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December 13, 2013

Via electronic submission to rule-comments@sec.gov

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington DC 20549-1090

Re: Release No. 34-70876; File No. SR-FINRA-2013-048. Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change To Amend FINRA Rule 8312 (FINRA BrokerCheck Disclosure) To Expand the Categories of Civil Judicial Disclosures Permanently Included in BrokerCheck.

Dear Ms. Murphy:

NASAA appreciates the opportunity to comment on the above-referenced release (“Proposing Release”) regarding expanding the categories of civil judicial disclosures permanently included in BrokerCheck. Historically, NASAA has supported FINRA’s initiatives to expand the scope of information available on BrokerCheck while tempering such support with our strong interest in expanding the information available to investors through this system to include the information that states routinely provide. Similar background information on firms and associated persons is available to investors through state public records laws (in the form of CRD snapshot reports) without BrokerCheck’s restrictions. We believe that the information contained in these CRD snapshot reports is critical to investors. While NASAA is encouraged by FINRA’s proposal to expand the categories of civil judicial disclosures permanently included in BrokerCheck and supports adoption of this proposal overall, we continue to urge the Commission and FINRA to consider further expansion of available information as more specifically set out below.

As an organization focused on investor protection, and a stakeholder in the Central Registration Depository (“CRD”), the registration system from which the information made available to investors is provided, NASAA vigorously supports efforts to increase transparency and disclosure. 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. Therefore, NASAA is pleased with FINRA’s proposal to expand the categories of civil judicial disclosures permanently included in BrokerCheck and supports adoption of this proposal to amend FINRA Rule 8312 to permanently make available in BrokerCheck

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information about former associated persons of a member firm who have been the subject of an investment-related civil action brought by a state or foreign financial regulatory authority that has been dismissed pursuant to a settlement agreement.

As noted in the Proposing Release, the proposed change would provide the investing public with greater access to relevant and important information about formerly registered persons, individuals who may work in non-registered capacities in investment-related industries or seek to attain other positions of trust with potential investors. NASAA notes that access to this information is particularly relevant in light of the expansion of Regulation D Rule 506 and the anticipated implementation of crowdfunding. While the offering's control persons or other key persons may not currently be registered, complete information about such persons should be available to investors without placing time limits on disclosure history.

In addition to supporting FINRA's proposal, NASAA encourages the Commission and FINRA to consider making additional information available through BrokerCheck. For example, NASAA believes that BrokerCheck reports 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. In addition, NASAA believes that FINRA should discontinue the practice of placing a 10-year time limit on the inclusion of bankruptcies in BrokerCheck reports.

Thank you again for the opportunity to comment on this proposal to expand categories of civil judicial disclosures to be included in BrokerCheck. 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 or 202-737-0900.

Sincerely,



Andrea Seidt
NASAA President and
Ohio Securities Commissioner