

I have been representing customers in securities related matters for the last eight years. Before that time, I worked as in-house counsel for a brokerage house representing brokers from sales practice violations, in addition to reporting these allegations Form U4/U5.

Having worked on “both sides of the fence” it is obvious that support of the proposed revisions to Questions on Forms U4/U5 is a “no brainer.” One of the most important accomplishments in my opinion is to have transparency – to allow investors to perform a thorough check of their broker or potential broker. The way the rule is now is if a broker is named in arbitration then it is a reportable event. If the broker is not named as a respondent, but is described in the statement of claim an engaging in sales practice violations, then it does not trigger a reportable event. This distinction is meaningless. Many claimants do not name the broker in arbitration for various reasons. The reporting should be mandatory regardless of the format describing a broker’s sales practice violation. People seek confidence in the markets and that there is suitable regulation to protect them. This new rule change would support and strengthen this perception.

In conclusion, I strongly support this new rule.

Sincerely,

David Harrison

DAVID HARRISON, ESQ.
LAW OFFICES OF DAVID HARRISON
9454 Wilshire Boulevard
Suite 303
Beverly Hills, CA 90212
(310) 499-4732 - telephone
(310) 861-5444 - facsimile