

Attention:
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PROPOSED AMENDMENTS TO FINRA RULE 2210

FINRA COMMENT ON A REVISED PROPOSAL
TO REQUIRE A HYPERLINK TO BROKERCHECK
IN ONLINE RETAIL COMMUNICATIONS WITH THE PUBLIC
BROKERCHECK

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FINRA is seeking proposed amendments to FINRA Rule 2210. The Comments are to address a revised proposal “to require a hyperlink to brokercheck in online retail communications with the public.

I rubbed my eyes in astonishment and then, again, before asking myself, “Why?” and “How?” followed with “you’ve got to be kidding.” Hyperlink industry websites to expunged backgrounds and brokercheck historys that are, too often, fairytales? This is about as good as the joke “Did you hear the one about the board that voted to “amendments to its supervision rule that would require member firms to investigate the backgrounds of financial advisers applying for Finra registration”
(<http://www.investmentnews.com/article/20140424/FREE/140429948#>)

The proposed rule addresses eliminating the requirement for a deep hyperlink to FINRA brokercheck to a firm “that are available to retail investors, rather than on all of its social media pages and proprietary sites that limit access to institutional investors” on all social media “pages, blogs and other online communications with the public” pages that are not controlled by FINRA.

That FINRA “believes the revised approach will increase investor awareness of Brokercheck, while addressing the operational concerns the initial proposal raised.”

The problem isn’t social networking. The Problem is FINRA’s brokercheck summaries which are Expunged so often it is a Citizen complaint in Congress by the Industry, seeking absolution. Expungement is to have been reserved for Special Exceptions. It is abused and used as often as the Industry actors change shoes, socks and underwear. It is as if Expungement has become a Fashion Accessory in FINRA conducted arbitrations. Yawn, I think I will get an Expungement today and then, rinse and repeat, the bad behaviours that got the industry person socked with the Arbitration to begin with.

If you get to know FINRA as I have you learn more about the smokes and mirrors of the “organization” that “merged” from the union of the NASD and NYSE. I use “scare quotes” for a reason. Run investor run.

Checking out some details before penning this, my final version of my comment, I read down the right side river of entities FINRA has fined. Excuse me while I pick myself off the floor from laughing and get serious to make some very frightening points that bely the fraud of FINRA doing anything in the name of consumer protection.

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Check out the top of the FINRA website. It goes "www.wwww.dotFINRA.dotO-R-G. ORG is the distinction for a charity that has been sanctioned by the IRS for tax benefits based upon a Mission Statement the entity has filed with the IRS for approval. FINRA's wouldn't surprise you to read, talks about Investors protection and industry integrity.

I smell a barnyard coming.

No where does the IRS sanction anyone to "fine" bad actors. So where is it this faux authority FINRA presents to the public comes from. It is not from the IRS. The IRS confirms that FINRA is a non-profit. No, not a government agency, but a non-profit that is categorized as a business league. Sort of says it in a nutshell right there doesn't it. INVESTOR RUN!!!

Better question is how does a business league arrange that all customers of the Business League members submit to Arbitration and to Arbitrations in FINRA, which does promotes FINRA gets almost 100% of the Arbitration business for investors. Yes, keywords and Adsense do work magic, don't they.

All of the above makes the conversation of hyperlinks moot. The premise of honesty is dispelled with deceit is part of the foundation of an organization. Random poll of attorneys who represent Investors in FINRA arbitrations? They don't know FINRA is a non profit business league. Random poll of attorneys NOT in the investment industry. Most never even heard of FINRA nor do most people, investors by choice or by pension plans or other.

So, tell me about this Investor Education Mission FINRA pitched successfully to the IRS? Each of the 4 entities, the (dot) ORGs FINRA has as non profits show ten's of millions in their declared bottom lines. That said, if people don't know who FINRA is maybe this business league has to step up its game or lose its NON profit status because Investor protection is not part of it.

The proposed hyperlinks, FINRA is asking for Comments about are from the websites of Industry "actors" (aka broker-dealers, advisors and entities) to FINRA's Brokercheck, summaries. But somewhere between 1+1 is missing the rest of the equation that brings a sum total to 3. The "1" that is missing is the most important quotient an average investor has no chance of learning- who is that person the investor gave their life savings over to. FINRA plucks that "1" out. It is called expungement.

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All the hyperlinks in the world from the Industry person/entities page doing add up to a hill of beans when the Investor is barred from learning how many times the person the investor just gave their life savings too has scrubbed their history lily white. The average thief doesn't get away with the entitlement of a new start. Even cats don't have it so good, in that cats only have 9 lives. PIABA reported that one advisor had over 35 fresh starts out of 40 complaints launched against them. FINRA brokercheck histories deceive investors.

All of FINRA's "reviewed a selection of popular social media sites and conducted trials to determine how firms could implement the proposed requirements for third party websites." FINRA writes "based on this review.... Determined that firms would be able to post a hyperlink to Brokercheck or a hyperlink to the firms' website in close proximity to an associated person profile or contact information on "facebook, linkedin, youtube, pinterest, twitter" is of one benefit, to the Industry entities and individuals, opening up opportunities to meet, and maybe scam, more people sooner/faster.

An advisor who robs a client- call it what you will- churning an account, taking commissions instead of fees, stealing a clients' identity to delay financial hacking being discovered- its all the same. It's robbery. Yet a financial advisor or entity that robs a customer will be offered the blackmark on the financial advisor or entity cleansed from the Broker Summary while, if this was an inner city dad stealing bread to put food on his children's dinner table, this parent would go to jail to serve time, impacting that person's ability to get a job or vote.

Brokercheck relies on self-reporting, premise of which is the people being reported against are honest. Bad assumption. John Taft, president of RBC, testifying on Capitol Hill on behalf of SIFMA was blunt stating his clients may be successful in business but not in the market. Bernie Madoff flew under the radar of being reported. Who is going to know to tell if a financial industry representative got served or not? FINRA isn't counting and no-one is being allowed to get the exact names, numbers and cases going to arbitration. FINRA is a private business, a non profit listed as a business league. Business leagues for industry have no motivation to keep things online where data can be hacked, expunged only when it has no meaningful investor protection or regulatory value. Once information is expunged from the CRD system, it is permanently deleted and thus no longer available to the investing public, regulators or prospective broker-dealer employers." Recent case in Europe against GOOGLE raised public outcry against Bad Information being online the man wanted removed. Albeit 15 years earlier. Consumer want to know who their money is going to.

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BrokerCheck says it aggregated professional background information on approximately 1.3 million current and former FINRA-registered brokers and 17,400 current and former FINRA-registered brokerage firms. Information in CRD is obtained through forms that brokers, brokerage firms and regulators complete as part of the securities industry registration and licensing process. How would anyone know the veracity of that statement in that NO Arbitration conducted by FINRA is cross recorded in a Government data base unless a Case escaped FINRA oversight in to the Civil Courts, either to Vacate or to Collect on a FINRA award.

No, if I knew an advisor was arrested for Petty Theft, I would not work with him. That is my decision to make, with full disclosure. No full disclosure? That means the advisor knew they have something to hide.

The FINRA site says, "The information about investment adviser firms and representatives made available through BrokerCheck is derived from the Securities and Exchange Commission's Investment Adviser Public Disclosure (IAPD) database. IAPD features professional background information on approximately 441,000 current and former investment adviser representatives and 45,700 current and former investment adviser firms and that "BrokerCheck information is drawn from filings by regulators, firms and investment professionals. It includes current licensing status and history, employment history and, if any, reported regulatory, customer dispute, criminal and other matters. It should be the first resource investors turn to when choosing whether to do business or continue to do business with a particular firm or individual."

When one follows one matter case managed by FINRA, one can document FINRA's warranty is not truthful. Promoting to the investing public Brokerchecks is tantamount to the airbrushing and stretching scandal of Kate Winslet to make the actress and models look thinner, better and younger. Its fraud. FINRA's Brokercheck is deception where the fox is in charge of the henhouse.

FINRA does not vet out lawyers arguing industry people before arbitration panels. FINRA doesn't even vet out Arbitration panelists to assure they are compliant with local laws lawyers, arbitrators must adhere to. FINRA case managers state they are overworked with too many cases. Well, well ,well, quoting Angelina Jolie in her role as Malificent.... Maybe its time to do away with expungement, replace ALL cases expunged from Industry actor backgrounds, link Investors directly to the U4's, U5's, Civil

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Actions for and against Industry parties, study to see who the attorneys are in these matters.

Do your own random poll. Ask a dozen people on the streets if they know what FINRA is or if they have heard of FINRA. Ask the person being questioned if they invest too. You will be shocked at the answers received. Ask the Investor what they would do if they had a need to sue their broker/advisor. Ask them where they would go. Then tell the investor, they have no choice of where to resolve their dispute, that its been made for them. Ask the investors if they were told by an entity fronting the SEC, if they would question the authenticity of that entity- would the investor believe that firm telling them the firm's forum is where their dispute must be resolved. Would the investor know of other places to settle their disputes? Ask them, then, how they would feel knowing there are other options for resolution forums that are qualified to handle the dispute but they the investor is barred from using that forum because, pretty much all financial firms make the investor go to this one entity, the entity that writes the rules along with publishing the bios of the persons' the investors are suing.

Thinking about using Industry people to coordinate any or all of the above? Don't go there. This is gonna be one by the people for the people- getting rid of FINRA and its Industry bias. I see a theme show for American Greed comin'

Oh, yeah... and that business about FINRA fining its members? Hello, isn't that oversight of the FCC or the FTC or the DOJ or another government alphabet soup?