February 21, 2023

Via email:
pubcom@finra.org
Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

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RE: Special Notice 10-21-22: Machine-Readable Rulebook Initiative

Dear Ms. Mitchell:

The University of Pittsburgh Securities Arbitration Clinic (the "Clinic") appreciates the opportunity to comment on the Financial Industry Regulatory Authority's ("FINRA") Machine-Readable Rulebook Initiative. The Clinic, a University of Pittsburgh curricular offering, provides legal representation to investors with limited resources, often advocating for people whose claims represent much of their life savings. The Clinic offers the following commentary on the proposed initiative.

COMMENT

Introduction

While most practicing lawyers devote significant energy to research, it is law *students* who are most familiar with the state-of-the-art research tools currently on the market. Law schools tend to grant students access to a myriad of online databases – a selection that often eclipses even those offered by hyper-profitable multinational law firms to their partners. Law students naturally experiment with this plethora of databases and research tools, relying on the most efficient and leaving the clunkier services in the dust.

Logically, as a curricular organization composed of current law students who are familiar with the state of the modern legal database, the University of Pittsburgh Securities Arbitration Clinic is drawn to the potential of FINRA's Machine-Readable Rulebook Initiative. Efficient accessibility of the FINRA rulebook is paramount to the Clinic's successful representation of consumer investors before FINRA arbitration panels. While FIRST displays enormous promise as a research tool that enhances accessibility to the FINRA rulebook, the Clinic would like to offer a few suggestions for improvement as well as guidance for next steps in the rollout of FIRST.

Stylistic Changes

A series of stylistic changes may increase the functionality of FIRST for firms, retail investors, and other potential users. Such changes would not affect the rulebook content or the taxonomic tool, but instead would alter FINRA's digital presentation of FIRST. The following stylistic changes would serve to streamline the user experience, promoting intuitive engagement and minimizing trial-and-error experimentation.

1. FINRA should add a full-window display method for FIRST. In its current form, FIRST appears on the left side of the browser window as a scrollable tool bar. While this allows for real-time filtration of applicable rules as the terms are selected, the quantity of terms by which a user can filter the rules is daunting. In addition to having the real-time filtering tool bar on the left side of the screen, it would be useful for FIRST to be ported to an *additional* full-window iteration. In its full-window iteration, FIRST would allow its user to select each of the terms by which he or she intends to filter (viewable with considerably less scrolling). After selecting the terms, the user would hit the "search" button, taking he or she to a page including the FIRST tool bar on the left side of the page

and the rules, filtered as selected by the user, filling the remainder of the browser window.

2. The implementation of a search bar within FIRST would aid users in efficiently locating all rules taxonomized by any word a user may type in the search bar. Although the expanding filter-list of "family trees" should remain available, these filters often branch-off so much that finding the right term becomes frustrating. A search bar would allow a user to quickly find and filter by the term they wish to use. Such a feature is generally the standard among web-based platforms. In its current form, FIRST may be relegated to a secondary option for those seeking FINRA rules related to a general topic. Applications like Google, Westlaw, or Lexis would be the preferred method of searching for FINRA's published rules rather than FINRA itself.

3. FIRST must include some indication that its users may "cross-filter" the terms. While the inclusion of checkboxes (as opposed to radio buttons) suggests to the well-versed internet user that the user may select more than one term or concept by which to filter, the utility of FIRST may not be realized if some of its users do not understand that they may filter by more than one term at a time. If a user watches the introductory video, he or she *may* pick up this function of the tool. Otherwise, it would likely go widely unused – rendering the tool somewhat ineffective (especially once the remaining rules are given their taxonomic tags).

Effectiveness of the Disclaimer

FIRST's utility must be balanced against its primary risk – that it may be used as a substitute for close analysis of the FINRA rulebook. Users are likely to rely exclusively on the relative accessibility of FIRST, despite the disclaimer provided on the homepage. This reliance

may lead investors to ignore other pertinent FINRA rules if not within the ambit of the user's search filters.

Reliance on FIRST may harm compliance as much as aid it. A member firm or retail investor's reliance on FIRST's detailed (but potentially imperfect) taxonomy could result in relevant regulations slipping through the digital cracks. When the regulations slip through the cracks, firms and investors are injured. Therefore, the disclaimer must be present at the head of every webpage on which FIRST operates. Additionally, FINRA should prioritize uploading every rule into the FIRST system to at least minimize the potential for detrimental reliance on FIRST.

Order of Priorities

The notice regarding FIRST requests a suggested priority for FINRA's next steps with the tool. Logically, it would make the most sense for FINRA to prioritize "applying taxonomy terms to additional rules" before it revises the existing taxonomy terms or creates an open-source community. The sooner the FIRST filtration tool encompasses the entire FINRA rulebook, the sooner its potential as a compliance tool can be realized. The 40 rules included in the FIRST demo constitute a workable foundation. The 40 selected rules are the rulebook's most-visited rules – and thus contain the rulebook information most frequently in demand. Unfortunately, a large quantity of the FINRA rules have been excluded from FIRST. It is vital that before turning FIRST into an open-source enterprise, FINRA must apply FIRST's existing taxonomic filtration terms and concepts to the entire FINRA rulebook.

While open-source formatting may eventually improve the quality of the taxonomic exercise, FINRA must first *internally* determine a taxonomic baseline (*i.e.*, universally agreed-upon definitions for each of the key concepts and terms) that will apply to the entire

organizational system – including all of the FINRA rules. Then, internal FINRA programmers must apply their agreed upon definitions of the taxonomy to the remaining FINRA rules that have yet to be tagged. Creating a definitional baseline and tagging the rest of the rules before allowing open-source access allows for FINRA to create a holistic structure – clearly delineating the intended use of the taxonomic terms throughout the entire rulebook. Should the project be outsourced to open-source programmers, FINRA runs the risk that one open-source programmer may have a fundamentally different understanding of a key taxonomic term than another open-source colleague with whom they have never spoken. A uniform internal methodology – applied as quickly as possible to the remaining rules – should be FINRA's priority.

Additional Notes

Finally, what are follows are a few additional ideas for improvement of FIRST:

1. Once filters have been applied and a list of resulting rules identified, users should be taken directly to the relevant section of the rule they select. For example, filtering by "Branch Office" will take a user to the relevant 3110 Supervision rule, but when the user clicks on that rule, the relevant references to branch offices are buried within a large body of text. It would be more useful if the user were taken directly to the relevant section of a rule, and for all other relevant sections of the rule to be highlighted for additional precise browsing.

2. A clarified distinction between "Summary Topics" and "Detailed Topics" may improve FIRST. While a user may expect the "Detailed Topics" to consist of an alphabetical list of the secondary and tertiary topics that appear nested within the "Summary Topic" headings, the user is reasonably mistaken. Though FIRST provides a brief definition of the distinction between "Summary Topics" and "Detailed

Topics" when the user hovers the cursor over the encircled "i," a more intuitive nominative distinction may increase the functionality of the content distinction. Such a nominative distinction may be "Browse by Summary Topics" and "Browse by Individual Terms and Related Laws, Rules, & Regulations." The actual organization of the nested headings within "Summary Topics" and "Detailed Topics" makes sense; it is simply the method of distinction that may prove confusing for a user.
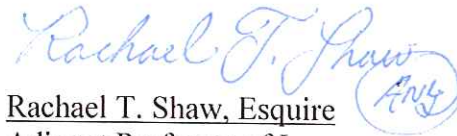
Conclusion

Thank you for this opportunity to comment on the Machine-Readability Rulebook Initiative. It is important to our clinic at the University of Pittsburgh School of Law, as our clinic provides legal representation to investors with limited resources. A user-friendly free search tool would be extremely helpful for our clients.

Respectfully Submitted,

Alice L. Stewart, Esquire
Director, Securities Arbirtration Clinic
and Professor of Law

Daniel R. McTiernan
Certified Legal Intern
Securities Arbitration Clinic

Rachael T. Shaw, Esquire
Adjunct Professor of Law

Izumi D. Presberry
Certified Legal Intern
Securities Arbitration Clinic

Alexander L. Dickinson
Certified Legal Intern
Securities Arbitration Clinic

Luke A. Torrance
Certified Legal Intern
Securities Arbitration Clinic