



PROVEN COMPLIANCE MANAGEMENT SYSTEMS

2100 Gateway Centre Boulevard, Suite 200 • Morrisville, NC 27560 • 800.334.8322 • www.RegEd.com

April 25, 2012

Richard E. Pullano,
Vice President and Chief Counsel, Registration and Disclosure
FINRA
Delivered via email to pubcom@finra.org

Re: FINRA's Request for Comment on Ways to Facilitate and Increase Investor Use of
BrokerCheck Information

Dear Mr. Pullano:

Thank you for the opportunity to comment on the potential use of data available through
FINRA's BrokerCheck for commercial use.

RegEd is a leading provider of licensing and registration services to the financial services
industry and the largest provider of information to the Central Registration Depository (CRD).
We submit data to CRD and receive data from CRD into our registration applications for our
client firms' internal use on behalf of more than 100 member firms.

RegEd supports the ability of commercial vendors to receive data from CRD on behalf of their
clients for their own use in managing their firm and representative data. The sharing of this
data with RegEd is effected with the agreement and authorization of each member firm.

However, RegEd does not support the provision of CRD data for general, commercial use,
where that data can be reflected to investors and the use of the data is not specifically
authorized by each member firm. Our position is based on the following:

- There is the potential for discrepancies between the data provided by CRD and the data reflected on a third party site resulting in inaccurate information to investors. Data incongruence can be caused by errors in the transmission process or delayed synchronization between data sources.
- Member firms and individual representatives could be unaware that information related to their firm or the representatives that is displayed on a third-party site is inaccurate. Those firms/representatives that detect errors in the data would need to undertake appropriate steps with the third party, with whom they may not have a direct relationship, to correct the error. In addition, it may be necessary for the firm/representative to coordinate with both the third party and FINRA to determine the source of the error.



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Of equal concern is the potential for erroneous information to be reported on the BrokerCheck site itself. In these instances, FINRA and its member firms and representatives will need to work together to correct the errors and ensure that investors see accurate information. This issue is exacerbated in cases in which FINRA has shared the erroneous data with other third parties, who are unaware of the ongoing dispute and resolution process between FINRA and the member firm.

Both FINRA and the member firm will need to provide updated information to any third parties and ensure that the inaccurate information is corrected. During the period of time that the issue is being resolved, incorrect, and potentially damaging, information about a registered representative or a firm will be available to investors and have the potential to cause the firm, representative, or both, reputational harm.

RegEd believes that BrokerCheck already effectively provides valuable information to retail investors. The benefits of displaying BrokerCheck data to investors on a third-party commercial vendor's site would have to outweigh the risk of erroneous information being presented to investors.

The potential for third parties to present inaccurate and incongruent data is real. And, the challenges presented if member firms must continuously monitor, identify and undertake all of the required measures to correct erroneous information across one or more sites are onerous. Against the backdrop of these potential consequences, RegEd respectfully requests that FINRA consider an authorization process for member firms in sharing data with any third-party vendor. The authorization process would allow a firm that does not wish to have its information made available to additional commercial vendors to opt out of sharing its information.

Thank you for the opportunity to comment on the commercial use of FINRA BrokerCheck data. Should you have questions regarding RegEd's Response to FINRA Notice to Members 12-10, please contact Angela.Pace@RegEd.com.

Sincerely,

Angela Pace
Chief Regulatory Officer
RegEd

About RegEd: RegEd is a leading provider of licensing and registration technology and outsourcing services, broker-dealer compliance management solutions and training and continuing education for financial professionals.