



April 27, 2012

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 2006-1506

Sent Via Email

RE: Regulatory Notice 12-10
Ways to Facilitate and Increase Investor Use of BrokerCheck Information

Dear Ms. Asquith,

Thank you for allowing RW Smith to comment on FINRA proposals on ways to facilitate and increase investor use of BrokerCheck information.

First, I believe the unifying search results across BrokerCheck and IAPD, as well as enabling location-based searching, would be beneficial for customers and other users of FINRA's site. I do not believe that many of the other suggested additions would be beneficial.

I am a career compliance officer in the financial services industry and have had direct interactions with many different types of registered representatives: young, old, ignorant, educated, hard-working, lazy, honest, dishonest, etc. Although certain disclosures might capture a registered representative's character, they often won't. An ethical, knowledgeable representative with bad luck or a bad divorce could have numerous disclosures, while a dishonest, unknowledgeable representative may have no disclosures and just hasn't been caught yet.

Customers should choose an investment professional based on a number of factors, using important tools other than FINRA's BrokerCheck. These include customer references, business references, one-on-one conversations, internet searches, and other resources. FINRA's proposed additions are not likely to increase the customer's relevant knowledge base about a prospective investment professional; increasing the *quantity* of facts about associated persons does not necessarily mean increasing the *quality* of information the customer has.

Providing industry exam test scores is an example of a completely irrelevant piece of information that could mistakenly sway a customer one way or another. The Series 7, to take one test example, is intentionally broad. The exam contains large amounts of information, some of which may or not be used in any one individual's professional life (i.e. many RRs do not conduct an options business), but doing poorly on one section of the exam could easily bring down the entire exam score. If one

is not a good test taker, a quality completely independent of one's knowledge, ability, and integrity, this is likely not an exam that will be passed easily.

Providing education and professional credentials may or may not be relevant and I do not automatically put a lot of weight on that information. However, I recognize college degrees and professional certifications demonstrate a minimum level of education and/or evidence a level of competency in a specific area, and that may be a good starting platform for a conversation with the customer's prospective investment professional.

It is unclear to me whether FINRA is considering making legacy disclosures public, but if that is a discussion on the table, I very strongly believe that once a "Yes" disclosure becomes a "No" it should no longer be made available to the public. Even banks and insurance companies, entities in highly-regulated arenas, recognize that people make mistakes, or that bad things can happen to good people, and consumers are not subject to scrutiny and judgment indefinitely after something hits their record.

I do not believe FINRA should provide BrokerCheck information to for-profit companies for commercial use. It is inappropriate for the regulator to *require* so much detailed information of an associated person and then be able to sell that information to a for-profit company.

Thank you for the opportunity to comment on FINRA's proposals.

Sincerely,

S. Lauren Heyne
RW Smith & Associates, Inc.
Chief Compliance Officer