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June 16, 2014

VIA ELECTRONIC SUBMISSION

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, D.C. 20006-1506

**Re: FINRA Regulatory Notice 14-19, Request for Comments on a Revised
Proposal to Require a Hyperlink to BrokerCheck in Online Retail
Communications with the Public**

Dear Ms. Asquith:

The Investor Rights Clinic at Pace Law School (“PIRC”),¹ operating through John Jay Legal Services, Inc., welcomes the opportunity to comment on the revised proposal to require a hyperlink to BrokerCheck in online retail communications with the public. PIRC generally supports the revised proposal; however, PIRC opposes the omission of the deep link requirement, which would directly link investors to the summary reports of specific member firms and associated persons. The hyperlink requirement is consistent with FINRA’s goals of investor protection and market integrity, as it will educate investors about BrokerCheck and facilitate its use.

I. PIRC Supports the Hyperlink Requirement

FINRA introduced BrokerCheck in 1988 to make information on broker-dealers and their associated persons readily available to the public. However, PIRC remains concerned about the public’s lack of awareness of BrokerCheck. PIRC represents unsophisticated investors of modest means, who are often older and have difficulty navigating the Internet. Easy, direct access to the information included in BrokerCheck is the best way to ensure that these investors have access to the information necessary to make informed decisions about their current or

¹ PIRC opened in 1997 as the nation’s first law school clinic in which J.D. students, for academic credit and under close faculty supervision, provide pro bono representation to individual investors of modest means in arbitrable securities disputes. See Barbara Black, *Establishing A Securities Arbitration Clinic: The Experience at Pace*, 50 J. LEGAL EDUC. 35 (2000); see also Press Release, Securities Exchange Commission, *SEC Announces Pilot Securities Arbitration Clinic To Help Small Investors- Levitt Responds to Concerns Voiced At Town Meetings* (Nov. 12, 1997), available at <http://www.sec.gov/news/digest/1997/dig111297.pdf>.

potential brokers. FINRA's 2013 proposed rule change – requiring deep links on websites, social media sites, and other comparable Internet presences, as well as a description of BrokerCheck in a prominent location – would help facilitate this access.² The proposed rule change was filed with the Securities and Exchange Commission, then subsequently withdrawn after the negative comments from the industry. The industry's major concerns with the proposed rule change include potential compliance difficulties due to the amount of online communication and limitations created by third-party controlled sites, the costs of maintaining the pages, and the deep link requirement.

The revised FINRA proposal directly addresses these concerns. First, it eliminates the ambiguity of the original proposal by applying it only to "online retail communications" and by addressing situations where implementation could be difficult on third-party sites (such as Twitter, which has a character restriction). The proposal resolves the latter concern by requiring the link and description only to the extent feasible and by giving instructions on where to place it. Second, while firms expressed concerns with the cost of implementation, including a link on various webpages appears to be of minimal cost to both large and small firms.

II. PIRC Opposes the Omission of the Deep Link Requirement

The proposed rule attempts to address the third concern, the deep link requirement, by eliminating it. This omission, however, is a step too far. The deep link requirement is the logical extension of the proposed rule, which would benefit investors by making access as easy and accurate as possible, with minimal costs to firms.

Without the deep link requirement, investors, after linking to BrokerCheck, would be required to determine which name, among many, is correct. For example, a search for "John Smith" on BrokerCheck turns up 221 results, ten of whom are within 25 miles of White Plains, New York. Having the deep link requirement linking directly to the broker's name eliminates these extra steps and ensures a more accurate result for investors. Investors who are not computer savvy would be required to navigate the difficult construction of BrokerCheck. PIRC often represents this type of investor, and it is imperative that BrokerCheck is easy to use so that every investor can be protected. For this reason, omitting the deep link requirement is inappropriate.

² See Securities Exchange Act Release No. 68700 (Jan. 18, 2013), 78 FR 5542 (Jan. 5, 2013) (Notice of Filing of SR-FINRA-2013-002).

For the foregoing reasons, PIRC generally supports the revised hyperlink proposal, but opposes the omission of a deep link hyperlink in online retail communications with the public. PIRC believes that BrokerCheck should be easily accessible to individual investors, and the revised proposal requirement works toward meeting this goal.

Respectively submitted,

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