

Investors tell us that they find the information regarding arbitrations and disciplinary actions helpful. but complain that it is formatted in the Broker-check report in a confusing way. Many have said that the same 'action' appears over many pages, with the redundant reporting by FINRA, by the Broker-dealer, or by others, making it appear that one reportable event could be misconstrued as two or even three, what with the detail taking up so many pages.

We had one customer tell us they were astonished when checking the disciplinary history of one of the top 5 NYSE Broker-dealers to find that over 2,000 pages were necessary to cover the firm's record of reportable events dating back just 15 or so years. Perhaps a summary report with an opportunity to explore the detail would be less intimidating to those who have tried to use the service but were turned off by its near-unreadability.

Also, included in Notice 12-10 was a comment that some regulatory entity had suggested including candidates' exam scores in Broker-check. If FINRA or the SEC have data that show a clear correlation between exam score and professionalism, performance, and ethics on the job, let those data be made public so we can all make a decision about the relevance to an investor of such a metric. If such a correlation exists, the next step will be Complainant's Attorneys using exam performance to help make their clients' cases against RRs accused of wrongdoing. It looks like a bad idea for many reasons, though we admit it would be fun to know how some current and former NYSE and NASD personnel scored when they took their Series 7 examination, as well as how the many investment company portfolio managers scored on their Series 65 adviser examination.

Investor Fraud Alliance