

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE., Washington, DC 20549-1090

Ms. Murphy,

As a District 6 Committee Member of FINRA for the State of Texas and a licensed independent financial representative, I would like to take the time to comment about the upcoming changes proposed to Broker Check by FINRA.

FINRA is proposing to amend FINRA Rule 8312 (FINRA BrokerCheck Disclosure) to (1) expand the information released through BrokerCheck, both in terms of scope and time disclosed; and (2) establish a process to dispute the accuracy of (or update) information disclosed through BrokerCheck.

As a branch manager and registered representative, I am a strong advocate of BrokerCheck. It unquestionably is a useful tool for the investing public and for financial advisors and member firms. I also support the enhancements to add registered investment advisors who have surrendered their FINRA affiliation and to maintain information on BrokerCheck for ten years. Finally, FINRA has stated that they will establish a process to dispute the accuracy of (or update) information disclosed through BrokerCheck, which I also support.

Although I support the changes overall, I am very discouraged by the current handling of information and the process required to remove erroneous information. We must establish a better process to protect broker/dealers and their representatives and to insure that the investment public is accessing current and accurate information. In this regard, there are no provisions currently in place nor are there any plans to remove information from BrokerCheck even if the information is found to be erroneous, invalid, or unfounded by FINRA. Essentially, one must either petition the broker dealer to remove the item from FINRA by formal request or seek legal action which is costly to all parties involved.

A few examples of disclosure items include, but are not necessarily limited to, the following:

Divorce proceedings that caused credit issues to be posted to CRD files;
Rogue or erroneous complaints that had no monetary loss imposed to a client or non-client that went through FINRA and were found to be invalid by the broker dealer;
Terminations from broker dealers due to erroneous, invalid, or unfounded failures to disclose information;
Licensing issues that are posted as violations simply due to paperwork issues and are corrected immediately.

These are all real world examples from representatives and broker dealers who incur significant delay and expense having these issues removed from their BrokerCheck profiles. Although some issues, such as bankruptcy, should follow advisors who handle the life savings of others as long as they practice in this business, other issues should not.

If FINRA is going establish a process to dispute the accuracy of information disclosed through BrokerCheck, we also need to establish a process to have erroneous, invalid, or unfounded items removed from permanently viewed public records.

Thank you for your consideration.

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