



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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August 3, 2014

Submitted electronically to rule-comments@sec.gov

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington DC 20549-1090

Re: Release No. 34-75377; File No. SR-FINRA-2015-022

Dear Mr. Fields,

On behalf of the North American Securities Administrators Association (NASAA),¹ I hereby submit the following comments regarding the Proposed Rule Change to Amend FINRA Rule 2210 (Communications with the Public) (“proposed rule”).² NASAA strongly shares the Financial Industry Regulatory Authority’s (“FINRA”) desire to raise investor awareness and access to information critical to making informed investment decisions.³ NASAA generally supports the proposal, as explained in our comment letter in response to FINRA’s Regulatory Notice 14-19 - Revised Proposal to Require a Hyperlink to BrokerCheck in Online Retail Communications with the Public (“the 2014 revised proposal”).⁴ NASAA, however, is disappointed that the proposal continues to omit important provisions, as discussed below, that could serve to better inform investors and promote the use of BrokerCheck.

The failure to include a requirement for deep links is an unfortunate omission from the proposed rule. Including direct hyperlinks and, specifically, individualized deep links⁵ would

¹ NASAA is the association of the 67 state, provincial, and territorial securities regulatory agencies of the United States, Canada, and Mexico. NASAA serves as the forum for these regulators to work with each other in an effort to protect investors at the grassroots level and to promote fair and open capital markets.

² SEC Release 34-75377; File No. SR-FINRA-2015-022 (July 7, 2015), 80 Fed. Reg. 40092 (July 13, 2015).

³ See Letter from Rex Staples, General Counsel, North American Securities Administrators Association, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, Re: Release Number 34-60462; File Number SR-FINRA-2009-50 (September 8, 2009) (*available at*

http://www.nasaa.org/wpcontent/uploads/2011/07/24BrokerCheck_090809.pdf); Letter from Ralph A. Lambiase, President, North American Securities Administrators Association, to Barbara Sweeney, NASD, RE: NASD Notice to Members 03-76 – Request for Comment, Enhanced Access to BrokerCheck (January 9, 2004) (*available at* <http://www.nasaa.org/wp-content/uploads/2011/07/73BrokerCheckDelivery.37996-42199.pdf>).

⁴ Letter from Andrea Seidt, President, North American Securities Administrators Association, to Marcia Asquith, Re: FINRA Regulatory Notice 14-19 (June 20, 2014) (“NASAA 2014 comment letter”) (*available at* <http://www.nasaa.org/wp-content/uploads/2014/06/NASAA-Comment-to-FINRA-14-19.pdf>).

⁵ A “deep link” refers to a BrokerCheck link that directs the user directly to the BrokerCheck summary reports specific to a member firm or associated person. Such a BrokerCheck web address would include a firm’s or individual’s CRD number and would be specific to each member or associated person. The link would take the user

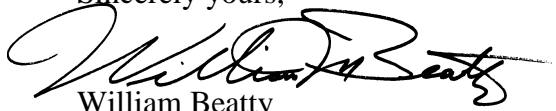
have virtually automatically and effortlessly connected investors with the specific BrokerCheck information relevant to that investor.⁶ NASAA is disappointed that this proposed rule continues to omit direct BrokerCheck hyperlinks/deep links to individual broker records, arguably the most effective part of the 2013 proposal.

NASAA expressed in its 2014 comment letter that electronic mail should not be excluded from the rule.⁷ Continuing this exclusion weakens the effectiveness of the rule. Reinstating the deep link component and extending the proposed rule to electronic mail would strengthen the proposal. There is no question that those components would be significantly more effective than “readily apparent references and hyperlinks” to the BrokerCheck system in increasing investors’ real-time, day-to-day exposure to financial advisor information, especially considering electronic mail is a widely used tool to conduct business.

Moving forward, NASAA is interested in expansion of the proposed rule beyond broker-dealer websites geared toward retail investors and online communications. Specifically, the proposed rule should require a broker-dealer to include a link to BrokerCheck from a third-party website over which the broker-dealer or its employee has control, such as a proprietary social media site. An increasing number of investors communicate online with their financial advisors and sites such as LinkedIn are being used as communication platforms. NASAA understands and supports FINRA’s effort to avoid unworkable disclosure burdens involving third party websites or services over which member firms have no control. At the same time, however, NASAA urges FINRA to maximize BrokerCheck’s visibility in additional areas where the firm or its financial advisors have an expanding presence and do exert control over either the site or the content of the site.

NASAA appreciates the opportunity to comment on FINRA’s effort to improve investor awareness and access to important BrokerCheck information. Should you have any questions about NASAA’s comments, please feel free to contact Joseph Brady (jb@nasaa.org), Executive Director, or A. Valerie Mirko (vm@nasaa.org), Deputy General Counsel, via email or at (202) 737-0900.

Sincerely yours,



William Beatty
NASAA President
Washington Securities Administrator

to BrokerCheck’s search results screen for the subject firm or individual.

⁶ See SEC Release 34-68700; File No. SR-FINRA-2013-022 (January 18, 2013), 78 Fed. Reg. 5542 (January 25, 2013) (“2013 Proposal”). NASAA has followed with interest the comments on the 2013 proposal and the 2014 revised proposal, and commented in response to both. See also Letter from Heath Abshire, President, North American Securities Administrators Association, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, Re: Release Number 34-68700, File Number SR-FINRA-2013-002 (February 15, 2013) (“NASAA 2013 comment letter”) (available at <http://www.nasaa.org/wp-content/uploads/2011/07/NASAA-Letter-to-SEC-re-Release-No.-34-68700-File-No.-SR-FINRA-2013-002.pdf>).

⁷ NASAA notes that FINRA has removed the express exception for emails and text messages as unnecessary, since the proposal by the terms only applies to a broker-dealer’s own website, not to other communications. 80 Fed. Reg. 40097.