



June 16, 2014

**Via: email ([pubcom@finra.org](mailto:pubcom@finra.org))  
and Overnight Courier**

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

**RE: Objection to Proposal to Amend and Add Subsection (d)(8)(B) to Rule 2210 –  
Requiring Hyperlinks to BrokerCheck**

Dear Ms. Asquith:

Alpine Securities Corporation (“Alpine”) strongly opposes the currently-proposed revisions to FINRA Rule 2210 (Communications with the Public), which would require the addition of BrokerCheck hyperlinks to a broker-dealer’s proprietary website and on third-party webpages as well. A similar proposed rule change last year, which would have required BrokerCheck hyperlinks, was withdrawn by the SEC in April 2013.

Although this year’s proposal addresses some of the concerns regarding last year’s proposal, the same fundamental problems remain. Obviously, the most fundamental objective of this type of proposal should be to assure that investors and the public can obtain an accurate, unbiased perception of a firm and its personnel. It is also important that the implementation and maintenance burden resulting from the additional regulatory requirements can be justified on a cost-benefit basis.

**THE NEW PROPOSAL DOES NOT MEET THESE STANDARDS. Instead, the most likely result will be a biased and unfavorable view of securities firms and their personnel coupled with the additional expenses of implementation and maintenance of the additional features on multiple webpages.**

Some of the comment letters from last year’s proposal discussed problems with BrokerCheck – including that it is difficult for a lay person to understand to use BrokerCheck and correctly understand the information. BrokerCheck tends to lead to a negatively biased viewpoint of the firms and their personnel. As anyone who has looked over any BrokerCheck reports knows, the feature that tends to evoke the most immediate interest is the tabulation of so-called “disclosure events” or “regulatory events,” which sets forth prior violations of FINRA rules (whether proven or alleged but settled) and other information (such as personal bankruptcies or inadvertent recordkeeping violations). These events often go back decades, including information about individuals who left the firm years ago, or before a change in ownership or the segment of the securities industry. Many disclosure events do not even involve any allegations of harm to investors or intentional misconduct. Also, the reports frequently

June 16, 2014

include matters that were settled without admitting wrongdoing to avoid the time and expense required to defend against the charges.

**Another major reason we oppose these new requirement is that the burdens and expenses of compliance are proportionately much higher for small firms such as ours and the correspondent firms for which we perform clearing services, including expenses to correct unfavorable perceptions – such as might arise from reporting events that occurred years earlier or did not involve any harm to investors.**

Unfortunately, our concerns about greater negative impact on small firms are supported by a number of news releases and industry reports in recent years in which large broker-dealers are given a pass for the same conduct or compliance weaknesses that result in substantial penalties for small firms. Even more concerning are government and regulatory actions in recent years that appear to have the objective of choking off the resources and ability of small broker-dealers to even remain in business.

**For the foregoing reasons, Alpine strongly opposes the proposal to require hyperlinks to BrokerCheck as proposed.**

Very truly yours,

ALPINE SECURITIES CORPORATION