Finra beefs up online disclosures of brokers' disciplinary info

Virtual database of actions replaces old paper-based system; not a response to BrightScope, spokeswoman says

By Dan Jamieson

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(Dan Macy)

The Financial Industry Regulatory Authority Inc. is putting online more information about its disciplinary actions.

The new Disciplinary Actions Online **database**, launched today, provides access to Finra complaints against firms and individual brokers, settlement agreements (known as Letters of Acceptance Waivers and Consent, or AWCs), decisions by Finra hearing panels and National Adjudicatory Council decisions.

Previously, the public had to contact Finra to obtain copies of these documents, the self-regulator said in a statement today.

Finra publishes a monthly summary of completed cases, but has not provided links to any documents in these summaries.

Decisions by regional hearing panels and by the NAC, which hears appeals, have been posted separately on Finra's website.

The new database should improve functionality by allowing searches by broker or firm name, timeframe, key words and case numbers.

The database also includes pending complaints Finra has filed against firms and brokers. This feature could make pending complaints easier to find, compared to the multi-step process needed to find pending actions disclosed on Finra's BrokerCheck system.

BrokerCheck reports will now provide links to the disciplinary documents in the new database, Finra said, as it does now for arbitration awards.

And beginning June 15, Finra's monthly disciplinary action summaries will provide links to the corresponding documents in the disciplinary database.

Finra's new disciplinary database comes less than a month after BrightScope Inc. created some waves with its own proprietary database of adviser and broker information.

But the Finra enhancement was not a reaction to Brightscope, said Finra spokeswoman Nancy Condon.

"This database has been under development for a number of months," she said in an email