

PIABA HAILS NEW PROGRESS TOWARD “ONE STOP SHOPPING” FOR BACKGROUND CHECKS ON FINANCIAL PROFESSIONALS

Citing Its March 2014 Report, PIABA Urges Full Disclosure of All Information

WASHINGTON, D.C.//April 9, 2015//The Public Investors Arbitration Bar Association (PIABA) today applauded the Investor Advisory Committee of the U.S. Securities and Exchange Commission (SEC) for agreeing to explore a unified database detailing the background information on financial professionals in order to ensure easier access by older investors and others.

In March 2014, PIABA released a major report on the systematic withholding under FINRA’s BrokerCheck system of “red flag” information about problem brokers, when fuller information is available from many state securities agencies. (For more information, see <https://piaba.org/piaba-newsroom/piaba-warning-finra-withholds-critical-%E2%80%9Cred-flag%E2%80%9D-information-broker-background-check>.)

Commenting on today’s development, Joseph C. Peiffer, a New Orleans-based arbitration attorney and president of the Public Investors Arbitration Bar Association, said: **“We are honored that the Committee cited the work of PIABA in highlighting the need to break down the barriers between the inconsistent and confusing reporting systems that now exist for financial professionals in the United States.**

For a financial system that depends on the confidence that arises from full disclosure, this step is long overdue and welcome. We strongly recommend that the SEC Investor Advisory Committee insist on the full disclosure of all background information about financial brokers rather than a sanitized version of the records. Just as financial professionals need and expect the public to disclose every aspect of their financial picture, the public needs and expects their financial professionals to disclose every aspect of their backgrounds. That information is already in the public domain, spread across a variety of sources. There is no good reason to prevent the public from accessing that information from a single source.

We urge that this bold step today be used to cast as much sunlight as possible across the spectrum of records of financial professionals. These people are entrusted with the life savings of tens of millions of Americans. Not only is it reasonable to subject them to full scrutiny, it is essential to do so if older investors and others are going to continue to rely upon them.”

ABOUT PIABA

The Public Investors Arbitration Bar Association is an international, not-for-profit, voluntary bar association of lawyers who represent investors in securities and commodities arbitration proceedings and securities litigation. The mission of PIABA is to promote the interests of the public investor in securities and commodities arbitration, by seeking to protect those investors from abuses in the arbitration process, by seeking to make securities arbitration as just and fair as systemically possible and by educating investors concerning their rights. For more information, go to <http://www.piaba.org>.

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EDITOR’S NOTE: A streaming audio recording of the news event will be available on the Web as of 5 p.m. EDT on March 25, 2015 at <http://www.piaba.org>.