

Recent Ruling Could Help Brokers Get a Clean Slate With FINRA

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A California court showed mercy. In a recent ruling, the California Court of Appeal for the First Appellate District made it easier for brokers to remove disciplinary complaints and other black marks from FINRA's BrokerCheck database.

The court found that the current [FINRA rules regarding expungement](#) impose too high a standard for brokers seeking to remove complaints from their record. Instead, a principle of fairness should apply.

The plaintiff had sought to remove several complaints dating back to 1997. He argued that 13 of the 17 complaints involved the same real estate trust and that his record had been spotless ever since. With more investors using BrokerCheck, the complaints were starting to hurt his job prospects, he further argued.

While FINRA denied the request, the court disagreed. "The choice of a very narrow, rigid legal rule to assess the legal sufficiency of the petition — a choice that closed off all avenues to the court's conscience in formulating a decree and disregarded basic principles of equity — was nothing short of an end run around equity," the opinion states. It couldn't have been better said.

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