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Client Alert: SEC Approves Significant Changes to Expungement Process

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It will become significantly more difficult to remove false customer complaints from advisors' Central Registration Depositories (CRDs). Financial Industry Regulatory Authority (FINRA) is moving forward with long-pending changes to the expungement process that will:

- Remove the six-year eligibility rule
- Remove the right for parties to select their arbitrators
- Require a unanimous decision of the panel
- Allow significant participation by state regulators

Shumaker's experienced expungement attorneys have successfully helped numerous advisors achieve expungements. Other companies and individuals assist with expungements that are not attorneys. However, advisors should be aware that if they hire one of these individuals, they may not have the attorney-client privilege with that person, which could subject them to serious liability if the individual is ever called as a witness by regulators or the opposing side. Contact Brandon Taaffe for more information.