



March 3, 2026

The Honorable Kriselda Valderrama, Chair
Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

Testimony on House Bill 1220 - Business Regulation - Data Broker Registry

Dear Chair Valderrama and Members of the House Economic Matters Committee:

The Financial Industry Regulatory Authority (FINRA)¹ appreciates this opportunity to submit written testimony on House Bill 1220 (HB 1220).

FINRA is a 501(c)(6) not-for-profit regulator of the securities industry that operates under authority granted under the Securities Exchange Act of 1934 (the 1934 Act). FINRA is registered with the U.S. Securities and Exchange Commission (SEC) as a national securities association and is a self-regulatory organization of member brokerage firms under the 1934 Act.² FINRA writes rules, examines for and enforces compliance with both FINRA rules and federal securities laws and regulations. FINRA rules are reviewed and approved by the SEC, as part of its broad oversight of FINRA.

FINRA's regulatory work includes the oversight of the more than 225,600 individuals and the more than 1,690 broker-dealer firms registered to do business in Maryland. FINRA also monitors the nation's top exchanges and off-exchange venues for market manipulation, operates a toll-free helpline for senior investors, administers a specialized arbitration forum with a focus on investor protection, administers licensing qualification examinations³ and takes enforcement actions on potential violations of FINRA's rules and federal securities laws. As part of this work, FINRA regularly communicates with the Maryland Division of Securities (Division) about the brokerage firms and their associated persons, including securities salespersons, who fall under the jurisdiction of both FINRA and the Division.

FINRA collects and shares data – including personal information – only for regulatory purposes. Limited information is shared with law enforcement and other regulators, such as the SEC or the Division, in connection with our general oversight and enforcement efforts.

In addition, the 1934 Act requires FINRA to make certain registration information available to the public. FINRA accomplishes this through BrokerCheck, a free online database⁴.

¹ For more information, please visit www.FINRA.org/about

² Pursuant to the Maloney Act of 1938, 15 U.S.C. §§ 78o-3, et seq., amending the Securities Exchange Act of 1934, 15 U.S.C. §§ 73a, et seq.

³ FINRA develops and administers qualifying examinations to securities industry professionals, which serve as a prerequisite to FINRA registration. FINRA also administers state law examinations on behalf of the North American Securities Administrators Association, which Maryland uses for state licensing purposes.

⁴ See <https://brokercheck.finra.org>
Investor protection. Market integrity.

BrokerCheck helps investors make informed choices about agents and broker-dealer firms by providing a snapshot of an agent's employment history, regulatory actions, investment-related licensing information, arbitrations and complaints. **FINRA neither sells this information nor uses it for any commercial, advertising, or marketing purposes.** Broker-dealers, regulated by FINRA, maintain similar information found in BrokerCheck and are expressly exempted from the bill⁵.

FINRA is keenly aware of the risks faced by the securities industry and is committed to protecting investor and market data. However, we are concerned that FINRA, a not-for-profit entity that regulates the brokerage industry pursuant to the 1934 Act and with the oversight of the SEC may unintentionally be covered by HB 1220, as it is currently drafted. The bill's provisions could interfere with FINRA's ability to protect Maryland investors.

The importance of FINRA's regulatory mission was recently recognized by the General Assembly when it enacted the Maryland Online Data Privacy Act⁶. To make certain that FINRA can continue to protect Maryland investors, fulfill its regulatory mission as set out in the 1934 Act, and align the HB 1220 with the Maryland Online Data Privacy Act, FINRA respectfully urges you to consider adding the following language to Section 19-1001(E) (2):

(IV) A national securities association as defined in Section 3(a)(26) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78a, et seq., as amended) and the rules and implementing regulations promulgated thereunder.

If you have any questions, or if there is further information we can provide, please reach out to me at kristen.standifer@finra.org or (415) 217-1126. Thank you for your consideration.

Sincerely,



Kristen Standifer
Senior Director, State Government Affairs
Office of Government Affairs
FINRA

CC: The Honorable Jared Solomon

⁵ Section 19-1001(E) (2) (II).

⁶ Md. Code Ann., Com. Law § 14-4703 (a) (2).