Abstract

FINRA registered representatives – commission securities salespeople – have come to be known as financial "advisors," but are not required to generally put customers' interests ahead of their own compensation and other interests, as are agents of fiduciary Registered Investment Advisors. This distinction is typically not recognized by consumers, and many registered representatives' employers' marketing claims encourage this misconception. The respective codes for CFP®, ChFC® and CFA® designees require higher ethical duties to clients than do FINRA rules, including subordinating their interests to clients'. Many such registrants hold these designations. FINRA requires the public disclosure of registrants' criminal, regulatory, complaint, and other dubious history. This study examines the comparative disclosure magnitude and frequency of undesignated vs. designated registrants in Florida, and finds with high statistical significance that such adverse disclosure materially *decreases* for those that hold any one of these designees; it incidentally finds that misconduct increases with maleness, dual investment advisor/registered representative status, and life insurance sales licensure. This appears to be the first such study of adverse disclosure associations with financial designations, so adding to the emerging misconduct and advisors' ethics literature. As the financial advisory profession evolves and regulators seek to enhance practice quality and duties to investors, these findings offer important policy and consumer choice insight.