

Election Notice

Notice of Special Meeting of Large Firms and Proxy

Summary

FINRA will conduct a Special Meeting of large firms on Thursday, June 28, 2018, at 9:00 a.m. EDT in the FINRA Visitors Center at 1735 K Street, NW, in Washington, D.C. The purpose of the meeting is to elect one individual to fill a Large Firm Governor seat on the FINRA Board of Governors (Board).¹

It is important that all eligible large firms be represented by proxy or in person at the Special Meeting. Large firms are urged to vote using one of the methods described below. In order for a proxy to be considered valid, it must be signed by the executive representative of the large firm eligible to vote in the election.

Large firms that are members of FINRA as of the close of business on Friday, June 8, 2018 (the Special Meeting record date), are eligible to vote in this election.

Note: This Notice was mailed and sent electronically to the executive representative of all large firms. In addition, it is posted online at www.finra.org/notices/election/061118.

Questions regarding this *Election Notice* may be directed to:

- ▶ Marcia E. Asquith, Executive Vice President and Corporate Secretary, FINRA, at (202) 728-8949; or
- ▶ Jennifer Piorko Mitchell, Vice President and Deputy Corporate Secretary, at CorporateSecretary@finra.org or (202) 728-8949.

Election of Large Firm Governor

An April 20, 2018, *Election Notice* previously announced the Large Firm Governor vacancy on the Board, FINRA's nominee, and the process by which interested individuals could seek petitions in support of their nomination to be included on the proxy.²

Below is the list of candidates who were either nominated by the Nominating Committee, or submitted the requisite number of petitions in support of their nomination and have been certified by FINRA's Corporate Secretary as satisfying the classification of the governorship to be filled.

JUNE 11, 2018

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

FINRA Nominating Committee Nominee Shelley S. O'Connor, Managing Director, Co-Head of Wealth Management at Morgan Stanley

*Nominee by Petition*³ Jim Nagengast, Chief Executive Officer and President of Securities America

The biographical profile of each nominee is attached.

Term of Office

The successful candidate will be elected to serve a term concluding at FINRA's 2020 annual meeting, or until his or her successor is duly elected or qualified, or until death, resignation, disqualification or removal.⁴

In order for the Board to maintain compliance with the compositional requirements of the FINRA By-Laws, elected Board members have a continuing obligation to satisfy the firm-size classification throughout the entire term for which the Governor is elected. FINRA's By-Laws expressly provide that the term of office of a Governor shall terminate immediately upon a determination by the Board, by a majority vote of the remaining Governors, that the Governor no longer satisfies the classification for which the Governor was elected and the Governor's continued service would violate the compositional requirements of the Board set forth in the FINRA By-Laws.⁵

Voting Eligibility

FINRA firms are eligible to vote for the nominees who are running for seats that are in the same size category as their own firm. Therefore, large firms registered with FINRA as of the close of business on Friday, June 8, 2018, are eligible to vote in this special election.⁶ A proxy listing the candidates for election was mailed to the executive representative of each eligible large firm along with a copy of this *Notice*.

Voting Methods

Firms may submit a proxy by any lawful means, including using any of the following methods:

- ▶ Telephone;
- ▶ U.S. mail; or
- ▶ Internet.

Alternatively, firms may attend the Special Meeting and vote in person. The proxy mailed to each eligible firm contains detailed instructions on the proxy submission procedures.

For purposes of the special election, a quorum must be met in the large firm size category. Therefore, as mentioned above, it is important that all large firms be represented at the Special Meeting. Following receipt of this Notice and proxy, executive representatives of large firms may receive telephone reminders during the election period. This will ensure that FINRA receives sufficient proxies to satisfy the Special Meeting quorum requirements, as well as to ensure broad participation in the election by all firms that are eligible to vote.

Revocation of Proxies

If a firm has given a revocable proxy pursuant to a proxy card distributed by FINRA or otherwise in the manner described herein, a firm may nonetheless revoke its proxy by attending the Special Meeting and voting in person. In addition, a firm may revoke any such proxy it gives at any time before the Special Meeting by delivering to FINRA's Corporate Secretary a written statement revoking it or by duly delivering another proxy at a later time. A firm's attendance at the Special Meeting will not in and of itself constitute a revocation of its proxy.

Voting Instructions

The named proxies shall vote as instructed by the FINRA firm. In the absence of a direction with respect to the election, any duly delivered proxy will not be counted in determining the outcome of the election, but will be counted in determining the presence of a quorum at the Special Meeting. In their discretion, the named proxies will be authorized to vote upon all such other matters as may properly come before the Special Meeting or any adjournment or postponement thereof.

Endnotes

1. This special election will fill the Large Firm Governor seat on the Board vacated by Stephen M. Cutler upon his resignation on March 30, 2018.
2. See *Election Notice 04/20/18* (Special Election to Fill a FINRA Large Firm Governor Vacancy) http://www.finra.org/sites/default/files/notice_doc_file_ref/Election-Notice-042018.pdf.
3. Pursuant to Article VII, Section 10 of FINRA's By-Laws, a person who has not been nominated may be included on the ballot for the election if he or she timely presents the requisite number of petitions in support of his or her nomination.
4. See Article XXII, Section 3 of the FINRA By-Laws.
5. See Article VII, Section 6 of the FINRA By-Laws.
6. A large firm is defined as a member firm that employs 500 or more registered persons. See Article I (y) of the FINRA By-Laws.

Attachment A: Profiles of FINRA Large Firm Governor Nominees

Jim Nagengast

Chief Executive Officer, Securities America Financial Corporation Inc.

President, Securities America Inc.

Jim Nagengast joined Securities America in 1994 and became CEO in 2010. During his tenure, Mr. Nagengast served as Chief Financial Officer, Chief Operating Officer and President of the broker-dealer, directly leading most functional areas and departments throughout the firm.

Securities America is an independent investment advisory and brokerage firm that services and supports over 2,500 financial advisors from its headquarters in Omaha, Nebraska.

Mr. Nagengast obtained his MBA in accounting and finance from Columbia University in 1992 and his AB in economics magna cum laude from Harvard University in 1987. He is a former member of the adjunct faculty at the University of Nebraska at Omaha and a former member of the Nebraska Society of CPAs.

Prior to joining Securities America, Mr. Nagengast worked as an analyst for Merrill Lynch Capital Markets in New York City and as a consultant for Marakon Associates in Greenwich, Connecticut.

Mr. Nagengast served on the Board of Directors of Heartland Family Services, one of metropolitan Omaha's largest charitable organizations, from 2001 to 2010, and was Chairman of the Board from 2007 to 2009. He chaired the Financial Services Institute (FSI) National Conference in 2012.

Shelley S. O'Connor

Managing Director and Co-Head of Morgan Stanley Wealth Management

Shelley S. O'Connor is Managing Director and Co-Head of Morgan Stanley Wealth Management and Chairman of Morgan Stanley Private Bank. She is a member of the Morgan Stanley Operating Committee.

Ms. O'Connor has held a succession of senior leadership positions during her more than 30-year career with Morgan Stanley. These include serving as Head of Field Management for Wealth Management, with responsibility for the firm's network of approximately 600 branches and 16,000 advisors, and as Chief Executive Officer of Morgan Stanley Private Bank.

She also served as Chief Administrative Officer for Wealth Management with responsibility for Risk Management, Technology and Operations, and as Chief Operating Officer of the U.S. Client Coverage Group.

Ms. O'Connor joined the Wealth Management leadership team in New York in 2004 after a long career in Wealth Management branch offices culminating in her leading the Southwest Region for the Private Wealth Management business.

Ms. O'Connor serves on the Board of Directors of Catalyst and of MAKERS@. She earned a BA from The University of California, San Diego.