Election Notice

Notice of Annual Meeting of FINRA Firms and Proxy

July 12, 2010

Suggested Routing

- Executive Representatives
- Senior Management

Executive Summary

The Financial Industry Regulatory Authority, Inc. (FINRA) will conduct its annual meeting of firms on Thursday, August 12, 2010, at 10 a.m. in the FINRA Visitors Center, 1735 K Street, NW, in Washington, DC. The purpose of the meeting is to elect individuals to fill the seven Elected Governor seats on the FINRA Board of Governors (FINRA Board) and to vote on proxy proposals submitted by a member firm.

It is important that all firms be represented by proxy or in person at the annual meeting. Firms are urged to vote using one of the methods described below. In order for a proxy to be considered valid, the executive representative of the firm eligible to vote must sign it.

Firms that are members of FINRA as of the close of business on July 9, 2010 (the annual meeting record date) will be eligible to vote.

Note: This *Notice* was mailed and sent electronically to the executive representative of each FINRA member firm. It is also posted on FINRA's website at *www.finra.org/notices/election/071210*.

Questions regarding this *Notice* may be directed to:

- Marcia E. Asquith, Senior Vice President and Corporate Secretary, at (202) 728-8949; or
- T. Grant Callery, Executive Vice President and General Counsel, at (202) 728-8285.

FINRA®
Financial Industry Regulatory Authority

Election of Governors

Item 1 on the proxy cards deals with the election of governors. There are seven seats on the FINRA Board to be filled at the upcoming annual meeting: three Small Firm Governors, one Mid-Size Firm Governor and three Large Firm Governors. To be eligible to serve, Small Firm Governors must be registered with Small Firms, the Mid-Size Firm Governor must be registered with a Mid-Size Firm and Large Firm Governors must be registered with Large Firms. Pursuant to Article I of FINRA's By-Laws, firm sizes are defined as follows:

- a Small Firm employs at least one and no more than 150 registered persons;[1]
- a Mid-Size Firm employs at least 151 and no more than 499 registered persons;[2] and
- a Large Firm is defined as a firm that employs 500 or more registered persons.[3]

In order for the Board to maintain compliance with the compositional requirements of the FINRA By-Laws, the seven elected Board members have a continuing obligation to satisfy the firm-size classification throughout the entire term for which the governor is elected.

Term of Office

Beginning with the 2010 annual meeting, seats on the Board will be staggered into three classes. The first class of governors shall hold office until the first succeeding annual meeting of FINRA firms, the second class of governors shall hold office until the second succeeding annual meeting and the third class of governors shall hold office until the third succeeding annual meeting, or until a successor is duly appointed or elected (as the case may be) and qualified, or until death, resignation, disqualification or removal.

As specified in the FINRA By-Laws, the first class of governors shall include one Large Firm Governor and one Small Firm Governor; the second class of governors shall include one Large Firm Governor, one Mid-Size Firm Governor and one Small Firm Governor; and the third class of governors shall include one Large Firm Governor and one Small Firm Governor.

- **First Class:** to be elected to a one-year term holding office until the next annual meeting following the 2010 annual meeting;
- **Second Class:** to be elected to a two-year term holding office until the second succeeding annual meeting following the 2010 annual meeting; and
- **Third Class:** to be elected to a three-year term holding office until the third succeeding annual meeting following the 2010 annual meeting.

At each subsequent annual meeting, governors shall be appointed or elected for a term of three years to replace those whose terms expire. Governors may not serve more than two consecutive terms. If a governor is elected or appointed to fill a vacancy of such a governor position for a term of less than one year, the governor may serve up to two consecutive terms following the expiration of the governor's initial term.

The 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.

Below is the list of the FINRA Nominating Committee nominees and those persons who, as stated in Article VII, Section 10 of the FINRA By-Laws (i) presented the requisite number of petitions in support of their nomination, and (ii) have been certified by the Corporate Secretary of FINRA as satisfying the classification of the governorship to be filled:

Small Firm Governor Candidates

FINRA Nominating Committee Nominees

First Class: G. Donald Steel, President, Planned Investment Company, Inc.

Second Class: Mari Buechner, President and Chief Executive Officer, Coordinated Capital Securities, Inc.

Third Class: Lisa Roth, Chief Executive Officer, Keystone Capital Corporation

Nominees by Petition

First Class: Ken Norensberg, President and Chief Executive Officer, Four Points Capital Partners LLC

Howard Spindel, Senior Managing Director, Integrated Management Solutions USA LLC

Second Class: Joel R. Blumenschein, President, Freedom Investors Corp.

Third Class: Jed Bandes, President and Chief Operating Officer, Mutual Trust Company of America Securities

Mid-Size Firm Governor Candidates

FINRA Nominating Committee Nominee

Second Class: W. Dennis Ferguson, Executive Vice President and Director of Clearing, Sterne, Agee Financial Services, Inc.

Nominee by Petition

Second Class: Timothy Smith, President, Comprehensive Asset Management & Servicing Inc.

Large Firm Governor Candidates

FINRA Nominating Committee Nominees

First Class: Richard F. Brueckner, Chief Executive Officer, Pershing LLC

Second Class: Seth H. Waugh, Deutsche Bank Securities, Inc. and Chief Executive Officer, Deutsche Bank Americas

Third Class: James D. Weddle, Managing Partner, Edward Jones

Nominees by Petition

No individuals submitted petitions to be added as candidates for the Large Firm Governor seats.

Attachment A includes the profiles of the Small Firm candidates; Attachment B, the Mid-Size Firm candidates; and Attachment C, the Large Firm candidates.

Additionally, Attachment D lists the Public Governors, the Floor Member Governor, the Independent Dealer/Insurance Affiliate Governor and the Investment Company Affiliate Governor appointed by the FINRA Board to terms beginning on August 12, 2010, from candidates recommended by the Nominating Committee.

Member Firm Proposals

Items 2 through 8 on the proxy card are proposals submitted by a FINRA member firm for consideration at the upcoming annual meeting.[4]

On June 29, 2010, FINRA was notified that representatives of Amerivet Securities, Incorporated (Amerivet), a member firm of FINRA, intend to submit the seven proposals set forth below. The FINRA Board met and during the course of its deliberations with respect to the proposals, the FINRA Board focused on a number of factors, including the extent to which FINRA already addresses or has addressed the issues presented, the potential benefit to firms of implementing the proposals, the costs associated with implementing the proposals and the fact that FINRA is a self-regulatory organization. On this last point, during the course of its deliberations and development of recommendations to firms with respect to the proposals, the FINRA Board took into account the fact that FINRA is the largest independent regulator of securities firms in the U.S. and considered the impact that implementation of the proposals could have on investor protection and market integrity. A number of these proposals could adversely affect FINRA's ability to fulfill this responsibility. Ultimately, the FINRA Board recommends a vote AGAINST each of the proposals, which are set forth in greater detail below.

Member Firm Proposal Regarding Disclosure of Officer Compensation

(Item 2 on Proxy Card)

We have been notified that representatives of Amerivet intend to submit the following proposal for consideration at the annual meeting. The text of the proposal, for which FINRA accepts no responsibility, is set forth below:

> *Disclosure of Compensation of FINRA's Top Ten Most Highly Compensated Employees*
>
> *To promote transparency and avoid bloated compensation, beginning in its 2011 Annual Report and annually thereafter, FINRA should disclose the compensation, both direct and indirect, of its top ten most highly compensated officers. FINRA should also disclose any and all compensation, direct or indirect, to any compensation consultants employed by FINRA and/or the Board.*

Response to Member Firm Proposal Regarding Disclosure of Officer Compensation

The FINRA Board recommends a vote AGAINST this proposal. The FINRA Board already discloses information about the direct and indirect compensation of its 40 most highly compensated officers on an annual basis by filing its tax return on Form 990 with the Internal Revenue Service. As a result, the FINRA Board believes that FINRA already publicly discloses in all material respects the information sought by this proposal. Since the information requested to be disclosed annually would, in large part, be duplicative of the publicly available Form 990 information, which is significantly broader in its scope than the proposal, the FINRA Board believes it would not be material to FINRA member firms.

For the foregoing reasons, the FINRA Board believes that the adoption of this proposal is unnecessary and not in the best interests of FINRA, its member firms or the investing public. **Accordingly, the FINRA Board recommends a vote AGAINST this proposal.**

Member Firm Proposal Regarding Independent Study of Involvement With the Madoff Family

(Item 3 on Proxy Card)

We have been notified that representatives of Amerivet also intend to submit the following proposal for consideration at the annual meeting. The text of the proposal, for which FINRA accepts no responsibility, is set forth below:

> <u>*Independent Study of Current and/or Former FINRA Officer and/or Director Involvement with the Madoff Family*</u>
>
> *To avoid the appearance of a whitewash, FINRA should commission an independent study of the dealings between present and/or former FINRA officers and directors, on the one hand, and Bernard L. Madoff, members of his family and/or their respective affiliates on the other.*

Response to Member Firm Proposal Regarding Independent Study of Involvement With the Madoff Family

The FINRA Board recommends a vote AGAINST this proposal. The FINRA Board believes that the proponent's request to commission an independent study of the relationship between Mr. Madoff, members of Mr. Madoff's family and/or their respective affiliates and present and former officers and directors of FINRA is essentially duplicative of the review conducted by the Special Review Committee of the FINRA Board in 2009 and is, therefore, unnecessary. The FINRA Board established the Special Review Committee to conduct an internal review of FINRA's examination program, with particular emphasis on the examinations of FINRA member firms associated with Bernard L. Madoff. The Special Review Committee, acting through outside counsel, reviewed the relevant examination files of the member firms associated with Mr. Madoff and considered the interaction of those firms with certain representatives of FINRA. Committee interviews with FINRA personnel included specific questioning about relationships with Madoff family members and whether any such relationships impacted FINRA regulatory efforts. The Special Review Committee, in September 2009, issued a *Report of the 2009 Special Review Committee on FINRA's Examination Program in Light of the Stanford and Madoff Schemes* in which the Special Review Committee published its results and recommendations. The FINRA Board does not believe that the study sought by the proponent would provide meaningful additional information to the FINRA Board, FINRA members or the investing public. In addition, the development of such a study would require significant time, effort and expenditure. The FINRA Board does not believe that incurring these costs would be a wise use of FINRA's resources.

For these reasons, FINRA believes this proposal is unnecessary and duplicative and would add costs and dissipate FINRA's resources with little or no benefit to FINRA, its member firms or the investing public. **Accordingly, the FINRA Board recommends a vote AGAINST this proposal.**

Member Firm Proposal Regarding Transparency of FINRA Investment Policies, Practices and Transactions

(Item 4 on Proxy Card)

We have been notified that representatives of Amerivet also intend to submit the following proposal for consideration at the annual meeting. The text of the proposal, for which FINRA accepts no responsibility, is set forth below:

> *Transparency of FINRA Investment Policies, Practices and Transactions*
>
> *To avoid conflicts of interest, FINRA should publicly disclose the identities of all persons it consults or does business through in connection with the investment of its assets, including all financial institutions or advisors involved in the purchase or sale of any FINRA assets of any kind including those held in any FINRA retirement plans.*

Response to Member Firm Proposal Regarding Transparency of FINRA Investment Policies, Practices and Transactions

The FINRA Board recommends a vote AGAINST this proposal. The FINRA Board believes the adoption of this proposal is not in the best interests of FINRA, its member firms or the investing public. FINRA is a self-regulatory organization that is dedicated to investor protection and market integrity. The FINRA Board believes that the public disclosure of such information may mislead firms and investors to believe that the utilization of certain intermediaries and advisors carries with it an implicit endorsement by FINRA on the quality or viability of such entities, or that a determination to cease such services has a negative implication. In this regard, FINRA does not permit consultants, financial institutions or advisors to disclose their relationship with FINRA or use their relationship with FINRA to market their services, and the adoption of this proposal would contradict FINRA's long-standing policy of non-disclosure. Moreover, FINRA has strong controls in place to ensure that regulatory personnel do not have access to any information regarding FINRA investments that might raise conflict issues.

For these reasons, FINRA believes this proposal is unnecessary and not in the best interests of FINRA, its member firms or the investing public. **Accordingly, the FINRA Board recommends a vote AGAINST this proposal.**

Member Firm Proposal Regarding FINRA Board Meetings To Be Made Public

(Item 5 on the Proxy Card)

We have been notified that representatives of Amerivet also intend to submit the following proposal for consideration at the annual meeting. The text of the proposal, for which FINRA accepts no responsibility, is set forth below:

> *FINRA Board of Governors Meetings Should Be Made Public Except When Absolutely Necessary*
>
> *Beginning on September 1, 2010, transcripts of all meetings of the FINRA Board of Governors and/or Committee of the Board should be made public on FINRA's website within 30 days following each such meeting. The Board by affirmative vote can close those portions of the meetings when non-public regulatory matters are on the agenda or to be discussed and confidentiality is warranted.*

Response to Member Firm Proposal Regarding FINRA Board Meetings To Be Made Public

The FINRA Board recommends a vote AGAINST this proposal. The FINRA Board believes that the adoption of this proposal is unnecessary and not in the best interests of FINRA, its member firms or the investing public. The FINRA Board believes that FINRA already regularly communicates to its firms the material information associated with meetings of the Board through FINRA's Annual Financial Report, Notices and other means. In addition, FINRA currently does not transcribe meetings of the FINRA Board or committees thereof. The FINRA Board is responsible for managing the business and affairs of FINRA and the need for candid deliberations among the members of the FINRA Board (or a committee thereof) is paramount if the Board is to fully consider matters before the FINRA Board and effectively carry out its duties. The FINRA Board believes that the practice of transcribing meetings of the FINRA Board or committees thereof, much less publishing transcripts of such meetings, could stifle candid deliberations among the members of the FINRA Board or committees. Because the FINRA Board believes that it is useful for its governors to be able to freely engage in deliberations regarding all matters before it, the FINRA Board believes that the publication of transcripts would hinder the FINRA Board's decision-making process. Further, the proposal makes no exception for a wide variety of matters that demand confidentiality, such as sensitive non-regulatory business information and matters subject to the attorney-client privilege, trade secret issues and intellectual property matters. Indeed, FINRA believes that publishing transcripts of meetings of a board or a committee thereof would be unprecedented for any organization similar to FINRA or in the public company context as (setting aside governmental bodies required by law to do so) FINRA is not aware of any corporation so transcribing and publishing transcripts of board meetings.

For these reasons, FINRA believes this proposal is unnecessary and, if implemented, may hinder the ability of the FINRA Board to engage in a candid discourse in making a decision for FINRA, to the detriment of the best interests of FINRA, its member firms and the investing public. **Accordingly, the FINRA Board recommends a vote AGAINST this proposal.**

Member Firm Proposal Regarding "Say on Pay"

(Item 6 on Proxy Card)

We have been notified that representatives of Amerivet also intend to submit the following proposal for consideration at the annual meeting. The text of the proposal, for which FINRA accepts no responsibility, is set forth below:

> *"Say on Pay" for Top Five Most Highly Compensated FINRA Employees*
>
> *Consistent with principles of good governance, beginning in 2011, at least once in each year, FINRA members should have a non-binding vote on the compensation levels of the top five most highly compensated FINRA employees.*

Response to Member Firm Proposal Regarding "Say on Pay"

The FINRA Board recommends a vote AGAINST this proposal. The FINRA Board is cognizant of FINRA's status as a self-regulatory organization and is concerned that a process—in which those regulated opine on the performance of the regulator—would give an inappropriate perception of the membership's influence on the FINRA regulatory program. The structure currently in place for the Board in making its compensation decisions is, in the view of the Board, appropriate. The principal Board committee making these determinations, the Management Compensation Committee, is composed entirely of public board members for precisely the reason that FINRA believes that industry participants should not be making recommendations on FINRA compensation matters. The Management Compensation Committee is responsible for developing compensation plans designed to attract and retain highly qualified leaders. In carrying out its responsibility, the Management Compensation Committee receives guidance on appropriate compensation programs from outside advisors, and the plan is voted on by the entire FINRA Board. The FINRA Board believes this process is effective in establishing programs that appropriately recognize and reward the contributions of FINRA's executive team. In addition, the FINRA Board does not believe that the non-binding vote sought by this proposal would provide the FINRA Board or the Management Compensation Committee appropriate guidance as to FINRA's compensation structure or individual executive compensation. While public companies may become subject to non-binding say on pay stockholder votes in the near future, FINRA is not a public company subject to such rules.

An annual obligation to have a non-binding say on pay vote, and the concomitant resources needed to develop the requisite disclosure and hold a member firm vote on the matter, also would require significant additional time, effort and expenditure. The FINRA Board does not believe that these costs are a wise use of FINRA's resources.

For these reasons, FINRA believes this proposal is unnecessary and not in the best interests of FINRA, its member firms or the investing public. **Accordingly, the FINRA Board recommends a vote AGAINST this proposal.**

Member Firm Proposal Regarding Creation and Employment of an Independent, Private-Sector Inspector General

(Item 7 on Proxy Card)

We have been notified that representatives of Amerivet also intend to submit the following proposal for consideration at the annual meeting. The text of the proposal, for which FINRA accepts no responsibility, is set forth below:

> *Creation and Employment of an Independent Private Sector Inspector General*
>
> *Beginning on September 1, 2010, FINRA should employ an independent private sector inspector general ("Inspector") on a standing basis to investigate claims of misconduct by FINRA executives and employees or others acting on its behalf. The reports of the Inspector should be filed with the FINRA Board of Governors, the Securities Exchange Commission, the Senate Committee on Banking and the House Committee on Financial Services.*

Response to Member Firm Proposal Regarding Creation and Employment of an Independent, Private-Sector Inspector General

The FINRA Board believes the adoption of this proposal is unnecessary and not in the best interests of FINRA, its member firms or the investing public, and recommends a vote AGAINST the proposal. First, FINRA is subject to comprehensive oversight by various divisions of the Securities and Exchange Commission, which conduct examinations of all aspects of FINRA operations. Further, within FINRA there already exist two offices that provide the types of review that would be contemplated by this proposal. First, FINRA has a significant Internal Audit function that reports directly to the FINRA Audit Committee. Internal Audit already reviews all major regulatory and program areas within FINRA and reports its findings directly to this Committee. Second, FINRA's Office of the Ombudsman already provides a neutral and confidential forum for member firms and their employees, public investors and any other business or individual who interacts with FINRA to voice their concerns about operations, enforcement or other FINRA activities or staff. Upon receiving a concern, the Ombudsman's Office conducts an independent review of the situation and works toward the identification and evaluation of positive solutions for all parties involved. Because the FINRA Internal Audit Department and the Ombudsman's Office already provide a forum for the investigation of claims sought by the proposal, an independent inspector general would provide little or no value to FINRA, its member firms or the investing public. Indeed, the FINRA Board also has the ability to establish, and has in the past established, special independent committees to consider and/or investigate conduct. Moreover, the establishment and maintenance of such an office would inevitably necessitate the expenditure of significant time, effort and funds. The proposal is inconsistent with the typical practice of public-sector companies and organizations similar to FINRA. The FINRA Board ultimately does not believe that the costs associated with the implementation of this proposal are a wise use of FINRA's resources.

For these reasons, FINRA believes this proposal is unnecessary and not in the best interests of FINRA, its member firms or the investing public. **Accordingly, the FINRA Board recommends a vote AGAINST this proposal.**

Member Firm Proposal Regarding Disclosure of IRS Correspondence Concerning $35,000 NASD Member Payment

(Item 8 on Proxy Card)

We have been notified that representatives of Amerivet also intend to submit the following proposal for consideration at the annual meeting. The text of the proposal, for which FINRA accepts no responsibility, is set forth below:

> *Disclosure of IRS Correspondence Concerning $35,000 NASD Member Payment*
>
> *FINRA should immediately make available correspondence between NASD (including its lawyers, agents and employees) on the one hand, and the IRS on the other hand, concerning the regulatory consolidation of NASD and the regulatory arm of NYSE, provided that FINRA members first sign a confidentiality agreement in substantially the form posted on the website of the Honorable Judge Jed S. Rakoff of the United States District Court for the Southern District of New York.*

Response to Member Firm Proposal Regarding Disclosure of IRS Correspondence Concerning $35,000 NASD Member Firm Payment

The FINRA Board recommends a vote AGAINST this proposal. The information that the proponent seeks was produced in litigation in the United States District Court for the Southern District of New York. In that proceeding, the court agreed with FINRA that it was necessary to maintain this information under seal because "[d]isclosure could cause [FINRA] significant competitive disadvantage." On appeal, the Second Circuit affirmed the district court's decision to seal this information to protect FINRA from "financial harm." In February 2010, another judge of the district court re-affirmed the sealing decision. Moreover, in addition to causing competitive disadvantage, public disclosure would overturn judicial decisions that the courts uniformly agreed were necessary to prevent competitive harm to FINRA. The disclosure would provide no benefit to the membership. The FINRA Board continues to believe, as these judicial decisions have recognized, that maintaining the confidentiality of this information is of vital competitive importance to FINRA. Finally, the proponent suggests these concerns could be addressed by the creation of a process to allow the more than 4,000 FINRA firms to review this information by signing a confidentiality agreement. However, the process associated with ultimately executing such a confidentiality arrangement with FINRA firms and the monitoring of their compliance with the confidentiality obligations would require significant time, effort and costs. The FINRA Board does not believe that these costs are a wise use of FINRA's resources.

For these reasons, FINRA believes this proposal is not in the best interests of FINRA, its member firms or the investing public. **Accordingly, the FINRA Board recommends a vote AGAINST this proposal.**

Voting Eligibility

Firms registered with FINRA as of the close of business on Friday, July 9, 2010, are eligible to vote. With respect to item 1 on the proxy, firms are eligible to vote for the nominees who are running for seats that are in the same size category as their own firm and will receive proxy cards listing only the relevant candidates running for the seats reserved for their firm size. Items 2 through 8 on each proxy card will be the same for all FINRA firms.

A proxy was mailed to the executive representative of each eligible firm containing the nominees for its voting class along with a copy of this *Notice*.

Voting Methods

Firms will be able to submit a proxy by any lawful means, including any of the following methods:

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

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

As mentioned above, it is important that all firms be represented at the annual meeting. Following receipt of this *Notice* and proxy, executive representatives of firms may receive telephone reminders during the election period. This will ensure that FINRA receives sufficient proxies to satisfy the annual meeting quorum requirements, as well as to ensure broad participation in the election by all firms that are eligible to vote. For purposes of the election of each category of governors (Item 1 on the Proxy Card), a quorum must be met in the applicable firm-size category.

Revocation of Proxies

If you have given a revocable proxy pursuant to a proxy card distributed by FINRA or otherwise in the manner described herein, you may nonetheless revoke your proxy by attending the annual meeting and voting in person. In addition, you may revoke any such proxy you give at any time before the annual meeting by delivering to FINRA's Corporate Secretary a written statement revoking it or by duly delivering another proxy at a later time. Your attendance at the annual meeting will not in and of itself constitute a revocation of your 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 annual meeting. In the absence of a direction with respect to any of the seven member firm proposals, any duly delivered proxy will be voted "AGAINST" each of such member firm proposals for which a direction is not given, and will be counted in determining the presence of a quorum at the annual meeting. In their discretion, the named proxies will be authorized to vote upon all such other matters as may properly come before the annual meeting or any adjournment or postponement thereof.

Endnotes

1 *See* Article I (ww) of the FINRA By-Laws.

2 *See* Article I (cc) of the FINRA By-Laws.

3 *See* Article I (y) of the FINRA By-Laws.

4 *See* Article XXI, Section 3 of the FINRA By-Laws.

Attachment A: Profiles of Small Firm Candidates

Jed Bandes

Jed Bandes has dealt with the rigorous challenges that confront small broker-dealers and producers on a daily basis for over 27 years. He is not only the president and chief operating officer of Mutual Trust Co. Of America Securities, but he is proud to call himself a producer as well. He has seen firsthand how a once approachable association of securities dealers evolved into the regulatory organization we now call the Financial Industry Regulatory Authority (FINRA). In addition to overcoming the many daily challenges of running and supervising his firm, he is also responsible for being the point man during FINRA cycle exams, writing his own trade tickets, trading a diverse portfolio of securities, drafting and reviewing written supervisory procedures (WSPs), dealing with FINRA, filing focus reports and all other compulsory FINRA related data, and supervising brokers and branch offices. Jed's securities licenses include General Securities Principal, Municipal Securities Principal, Registered Option Principal, General Securities Representative, Investment Banking Representative, and Introducing Broker/Dealer Financial Operation Principal. Jed's certifications include Certified Financial Planner, Charter Financial Consultant and Charter Life Underwriter. Jed earned a degree in finance from FSU.

Joel Blumenschein

Joel Blumenschein is president of Freedom Investors Corp. He is a skilled financial services business person with over 25 years of executive, industry and regulatory experience. Since 1985 he has held positions of increasing responsibility from registered representative through today as president of Freedom Investors Corp. Joel has experience in all aspects of owning and operating a small broker-dealer, from writing tickets to writing WSPs. Joel was elected to the District 8 Business Conduct Committee and served three years. He gained the respect from his fellow committee members and was elected District Chairman in the 2009 – 2010 year, as well as appointment to the FINRA Advisory Council for that time frame. He is currently a member of the nominating committee. He was known for his ability to see all sides of an issue and then building consensus to resolve and move the points forward. Joel holds a B.A., cum laude, in finance from the University of Wisconsin—Milwaukee, and maintains Series 4, 7, 24, 63 and 65 Registrations. He is also a member of SIPA and FSX.

Mari J. Buechner

Mari J. Buechner is the president and chief executive officer of Coordinated Capital Securities, Inc. (CCS), a full-service broker-dealer and investment advisory firm located in Madison, Wisconsin, and has over 20 years of small firm industry experience. CCS has 90 independent contractor registered representatives and seven home office personnel. Ms. Buechner has developed and implemented a supervisory system designed to accommodate a small independent contractor firm. In 2008, Ms. Buechner was appointed as an at-large member of FINRA's Small Firm Advisory Board. She is a member of FINRA's Independent Dealer/Insurance Affiliate Committee, a past FINRA District 8 Committee member, a member of the FINRA District 8 Nominating Committee, a past member of FINRA Licensing and Registration Committee and volunteers her time to work on various FINRA member education programs. She is also a Board member of the Financial Services Institute. Ms. Buechner graduated from the University of Wisconsin-Madison in 1987 with a bachelor of science degree in finance and marketing.

Ken Norensberg

Ken Norensberg is the president and chief executive officer of Four Points Capital Partners, LLC (FPCP), an independent broker-dealer in New York City, and has worked for the past 14 years with independent broker-dealers. Mr. Norensberg started his career as a registered representative and quickly rose through the ranks to become the northeast regional manager. Subsequently, he was a manager on Wall Street as well as VP of business development, specializing in the independent broker-dealer arena. Additionally, Mr. Norensberg is the Managing Director of Luxor Financial Group, Inc. (LFG), a New York-based compliance and business development firm specializing in regulatory filings with the various states and districts as well as business development platforms. Mr. Norensberg's unparalleled experience in virtually all aspects of owning and operating independent broker-dealers as well as his expertise in the regulatory environment makes him uniquely qualified for the board position. Mr. Norensberg graduated from the City University of New York, Brooklyn College with a bachelor of science degree in management and finance, and maintains the following FINRA and state licenses: Series 4, 7, 24, 63 and 79.

Lisa Roth

Lisa Roth is the chief executive officer and majority owner of Keystone Capital Corporation, a FINRA member firm with its headquarters in San Diego, CA. In her capacity as CEO, Ms. Roth directs the strategic initiatives of the company and manages its mission-critical departments, including business development and regulatory affairs. Keystone has two distinct business units, servicing on one hand the investment needs of Gen-Y investors, and on the other an institutional marketplace, including public pensions, endowments, funds and other high-net-worth investors. Previously, following the acquisition of ComplianceMAX Financial Corporation, of which she was founder and CEO, Ms. Roth was the EVP managing director of National Regulatory Services, a regulatory compliance and technology company providing compliance expertise and technology solutions to regulated firms in the financial and investment services sectors. Prior to that, Ms. Roth served in various executive capacities with Royal Alliance Associates, First Allied Securities and other brokerage and advisory firms. Ms. Roth serves as the chairman of the Member Advocacy Committee and was past-chairman of the National Association of Independent Broker Dealers (NAIBD). As such, Ms. Roth supports the NAIBD's efforts to inform, educate and advocate on behalf of its members, which include approximately 300 small and independent broker-dealers. Additionally, Ms. Roth is an active participant in industry forums, including FINRA committees and advisory boards, other trade associations, industry and regulatory conferences, and ad hoc committees as necessary to promote a culture of continuous improvement for investment services firms and the securities industry in general. Ms. Roth's constructive approach to advocacy has resulted in enhanced awareness of small firm issues among regulators, legislators and industry professionals. Ms. Roth currently serves as chairman of FINRA's Small Firm Advisory Board.

Howard Spindel

Howard Spindel is a senior managing director of Integrated Management Solutions, a consulting firm to the financial services community since 1985. During 2005, Mr. Spindel co-founded Integrated Investment Solutions LLC, an affiliated hedge fund administrator. He currently serves as the financial and operations principal, registered options principal or general securities principal of 30 FINRA member firms, all but one of which are defined as small firms. After graduating from Hunter College of the City University of New York, where he earned a bachelor of science degree in accounting in 1968, Mr. Spindel began his career in the Technical Research and Review Department and on the audit staff of Oppenheim, Appel, Dixon & Co. In 1971, he became a certified public accountant. In 1974, Mr. Spindel became associated with Coopers & Lybrand as an audit supervisor, and then in 1975 with the New York Stock Exchange (NYSE) as manager of the Capital and Operational Standards Section of its Regulation and Surveillance Group. In 1977, Mr. Spindel served as comptroller of Wm. D. Mayer & Co., an NYSE member firm specializing in options trading. In 1980, he became a financial and operations partner at S.B. Lewis & Company, an NYSE member firm specializing in arbitrage and mergers and acquisitions. In 1982, Mr. Spindel was an operations partner of Greenfield Partners, another NYSE member firm. Mr. Spindel currently serves on the Board of Directors of the Financial Management Society of the Securities Industry and Financial Markets Association (SIFMA), on SIFMA's Capital Committee, and on the boards of directors of three publicly held companies. From 2005 through 2007, he served on the District Committee of FINRA District 10 in New York City. In January 2008, Mr. Spindel was elected to FINRA's Small Firm Advisory Board, representing the New York Region for a three-year term. Should he be elected to the Board of Governors, he would continue his service on that Board as an ex-officio member, a role he enjoys. He has testified as an expert witness in securities industry matters at disciplinary proceedings, civil and criminal court cases, arbitrations and the United States Congress. He has served as a featured speaker at various NASD/FINRA and American Institute of Certified Public Accountants sponsored conferences, in each case dealing with issues involving the business of, and applicability of rules, procedures and controls to, broker-dealers, especially small ones.

G. Donald Steel

G. Donald Steel is the chief executive officer and president of Planned Investment Company, Inc., a small broker-dealer and registered investment advisor firm in Indianapolis, Indiana. Mr. Steel has been producing manager since 1980 and the firm's president since 1987. Planned Investment Company conducts fund and variable annuity direct business and listed business clearing through Mesirow Financial, Inc. Mr. Steel was a member of the NASD District 8 Committee from 1990 to 1991 and was Chairman of that committee in 1992. He is a FINRA arbitrator and is an ex-officio member of the FINRA Small Firm Advisory Board. Mr. Steel previously served on the Net Capital Task Force in 2005 and on the Small Firm Business Continuity Task Force from 2006 to 2007. Mr. Steel served for 30 years in the U.S. Navy, both as an active and reserve naval flight officer. He retired in 2002 as a captain. Mr. Steel has been the board chairman of three United Way Agencies, including The Salvation Army. He chaired the building of the USS Indianapolis (CA-35) National Memorial, and was a national vice president of the Navy League of the U.S. He is a past president of the Kiwanis Club of Indianapolis. Mr. Steel graduated with a bachelor's degree in Soviet studies and general engineering in 1975 from the U.S. Naval Academy. He received his Naval Flight Officer Wings in 1977, and attended the Naval Justice School.

Attachment B: Profiles of Mid-Size Firm Candidates

W. Dennis Ferguson

W. Dennis Ferguson is executive vice president, director of clearing for Sterne, Agee & Leach, Inc., as well as registered with Sterne Agee Financial Services, Inc. located in Boca Raton, Florida. Starting in the securities industry in 1970, he has worked in the clearing services arena since 1982. Service in the financial industry includes Securities and Financial Markets Association (SIFMA) as member of the Clearing Firms Committee and the Membership Committee, both of which he has previously chaired. From 1995 to 1996, he was president of the Florida Securities Dealers Association. Mr. Ferguson has previously served NASD as Chairman of the District 7 Committee and as a member of the Membership, Financial Responsibility and Uniform Practice Code Committees. In 2008, he completed a four-year term on the FINRA National Adjudicatory Council, the last two years as its chairman. Mr. Ferguson graduated from Florida Southern College and did graduate work at Florida Atlantic University.

Tim Smith

Tim Smith entered the securities industry in 1985, opened an investment advisory company in 1995, and founded his current broker-dealer in 1998. Since then, Comprehensive has become a national market leader in its niche, serving the broker-dealer needs of hybrid financial advisors. Tim has served for the last three years on the District No. 9 District Committee, including two years as chairman and the past year as chairman of the National Advisory Council, meeting with FINRA and SEC staff in Washington to discuss industry issues. Tim's experience includes sales, management, marketing, operations and compliance. He holds the Series 7, 24, 27, 31, 63 and 65 licenses, and serves his organization as CEO and FINOP. He is a graduate of Seton Hall University with a B.A. in communication, and holds the Certified Financial Planner™ designation. He also has held leadership positions in other organizations, including serving his town as mayor and councilman, and numerous board/trustee positions.

Attachment C: Profiles of Large Firm Candidates

Richard F. Brueckner

Richard F. Brueckner is chairman and CEO of Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation (BNY). Mr. Brueckner is also a senior executive vice president of BNY and a member of its Executive Committee. He joined BNY in May 2003 when it acquired Pershing from Credit Suisse First Boston (CSFB). Prior, he served as CEO of Pershing, and as a member of the CSFB Executive Board after CSFB acquired Donaldson, Lufkin & Jenrette (DLJ) Securities Corporation and Pershing in November 2000. Mr. Brueckner joined DLJ in 1978 and served as treasurer of DLJ and CFO of Pershing, where he has held a variety of senior management positions in administration, finance, marketing and operations throughout his career. Prior to that, he was a member of the management group of the Investment Services Department of KPMG Peat Marwick. Mr. Brueckner joined the NASD Board of Governors in January 1998. He has previously served as chairman of the NASD National Adjudicatory Council and as chairman of the New York District Committee. He is on the Board of Directors of the Securities Industry and Financial Markets Association (SIFMA), and has served as SIFMA's co-treasurer, co-chair of the Audit and Finance Committee, and is also a trustee of SIFMA's Foundation for Investor Education. Mr. Brueckner is chairman of the Board of Trustees of Muhlenberg College in Allentown, Pennsylvania. He graduated from Muhlenberg College with a bachelor of arts degree in economics, and became a certified public accountant in New York in 1973.

Seth Waugh

Seth Waugh joined Deutsche Bank in April 2000 as regional head of Global Markets and Equities and vice chairman of the Americas Executive Committee. Seth was appointed CEO of Corporate and Investment Banking in the Americas in 2001 and the following year was named CEO of Deutsche Bank Americas and chairman of the Americas Executive Committee, a position he has held since May 2002. He was appointed member of the Group Executive Committee effective April 1, 2009. Seth is chairman of the Deutsche Bank Securities Inc. (DBSI) Board of Directors and serves as chairman of the Board, CEO and president of several Deutsche Bank companies including Deutsche Bank Trust Company and Deutsche Bank Trust Corporation Americas. Before joining Deutsche Bank, Seth was CEO of Quantitative Financial Strategies (QFS) in Greenwich, CT. Prior to his role at QFS, Seth spent 11 years at Merrill Lynch in a variety of capacities in the Fixed Income Division, most recently as senior vice president and co-head of Global Debt Markets. Earlier in his career, Seth managed the Corporate Bond and International Trading desks at Salomon Brothers. Seth's industry positions have included board seats with the Securities Industry and Financial Markets Association and The Clearing House. In addition, he is the Deutsche Bank Americas representative to the Financial Services Forum, an organization composed of 20 CEOs from the largest U.S. financial institutions. He is also a member of the Executive Committee of the Partnership for New York City. Seth is the chairman of the Board of Directors for Deutsche Bank Americas Foundation, which administers the philanthropic activities of Deutsche Bank within the United States, Canada and Latin America. Seth's philanthropic endeavors also include positions on the boards of the YMCA of Greater New York, the Multiple Sclerosis Society of Greater New York, the Partnership for New York City, St. Vincent's Services of Brooklyn, the Local Initiatives Support Corporation, the Lawrenceville School in Lawrenceville, New Jersey and he is a member of the Winthrop University Hospital Board of Regents in Syosset, New York. A graduate of Amherst College, Seth earned dual bachelor of arts degrees in economics and English.

James D. Weddle

James D. Weddle managing partner of Edward Jones, was earning his M.B.A. at Washington University when he was hired in 1976 as a part-time intern in the firm's Research Department. After completing his M.B.A., Weddle left Research to become a financial advisor in Connersville, Indiana. He opened the firm's 200th branch. In 1984, Weddle was named a principal in the firm and was invited back to the St. Louis headquarters where he assumed a series of responsibilities, initially in new financial advisor training, then for one of the firm's largest areas, mutual fund sales and marketing. Weddle then led the implementation of a new sales management structure for the firm, taking responsibility for developing the firm's growth across the entire East Coast and for coordinating the efforts for all of the U.S. While he led the East Coast, the firm expanded from 250 offices to over 1,000. Weddle assumed responsibility for managing all of the firm's branch offices in late 1997. His responsibilities included not only the facilities themselves, but also financial advisors' compensation and financial advisor leadership development. Weddle has been a member of the firm's Management Committee since 1987 and in January 2006, he succeeded Douglas E. Hill as Edward Jones' fifth managing partner. A native of Illinois and a graduate of DePauw University in Greencastle, Indiana, Weddle also graduated from the University of Pennsylvania Wharton School's Securities Industry Institute in 1988. He served as a trustee of the institute from 1989 until 1993, and served on the Continuing Education Committee of the Securities Industry Association from 1994 through 1996. Weddle is on the Executive Committee for Webster University Board of Trustees; on the Executive Committee of The United Way of Greater St. Louis; a past board member of the Securities Industry & Financial Markets Association (SIFMA); a member of the Board of Commissioners for the St. Louis Science Center; a member of Washington University's Olin School of Business National Council; and a member of the University of Missouri—St. Louis Chancellor's Council.

Attachment D: Appointed Governor Seats on the FINRA Board

In addition to the candidates to be elected to the Small Firm, Mid-Size Firm and Large Firm seats, the FINRA Board has appointed the following individuals to the seats indicated below.

Floor Member Governor

➤ **First Class:** John F.X. Dolan, Kellogg Specialist Group, LLC

Independent Dealer/Insurance Affiliate Governor

➤ **Second Class:** Mark Casady, LPL Financial

Investment Company Affiliate Governor

➤ **Third Class:** John J. Brennan, The Vanguard Group, Inc.

Public Governors

First Class:

➤ Charles A. Bowsher, Former Comptroller General of the U.S.
➤ James E. Burton, Former CEO, World Gold Council
➤ Harvey J. Goldschmid, Columbia University Law School
➤ Kurt P. Stocker, Northwestern University

Second Class:

➤ Ellyn L. Brown, Brown & Associates
➤ Richard S. Pechter, DLJ Financial Services Group & DLJ Direct (Retired)
➤ Joel Seligman, University of Rochester

Third Class:

➤ William H. Heyman, The Travelers Companies, Inc.
➤ Dr. Shirley Ann Jackson, Rensselaer Polytechnic Institute
➤ John W. Schmidlin, JP Morgan Chase (Retired)
➤ Gary H. Stern, Former President of the Federal Reserve Bank of Minneapolis