

# Election Notice

## Notice of Special Meeting of FINRA Large Firms to Elect Large Firm Governor and Proxy

### Executive Summary

The Financial Industry Regulatory Authority, Inc. (FINRA) will conduct a special meeting of large firms on Thursday, January 12, 2012, at 4:30 p.m. Eastern Time at FINRA's Washington, DC, office at 1735 K Street, NW. The purpose of the meeting is to elect an individual to fill a vacant Large Firm Governor seat on FINRA's Board of Governors.

For quorum purposes, it is important that all large firms be represented by proxy or in person at the special meeting. Large firms are urged to vote in the election 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 a large firm eligible to vote in the election.

Large firms that are members of FINRA as of the close of business on Tuesday, December 13, 2011, (the special meeting record date) will be eligible to vote in this election.

**Note:** This *Notice* was mailed to the executive representative of all large firms and sent electronically to the executive representative of every FINRA member firm. It is also posted on FINRA's website at [www.finra.org/notices/election/121411](http://www.finra.org/notices/election/121411).

Questions regarding this *Election 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.

**December 14, 2011**

### Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

## Election of Large Firm Governors

There is one Large Firm Governor vacancy to be filled during this meeting. The FINRA Nominating Committee has nominated Gregory J. Fleming as its nominee (see attached profile) to fill the vacancy.

Notice of the nominee selected by the Nominating Committee was provided to firms on October 25, 2011. No other individual came forward within the 45-day petition period to have his or her name added as an additional candidate.<sup>1</sup> Therefore, Mr. Fleming is running unopposed.

## Term of Office

The elected individual will serve a term concluding at the 2014 annual meeting of FINRA, or until his or her successor is duly elected or qualified, or until death, resignation, disqualification or removal.<sup>2</sup> To be eligible to serve, Large Firm Governors must be registered with a large firm. A large firm is defined as a member firm that employs more than 500 registered persons.<sup>3</sup>

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. 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.

## Voting Eligibility

Large firms registered with FINRA as of the close of business on Tuesday, December 13, 2011, are eligible to vote in this election. A proxy was mailed to the executive representative of each large firm along with a copy of this *Notice*.

## Voting Methods

Firms can 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.

As mentioned above, it is important that all eligible 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 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 special meeting and voting in person. In addition, you may revoke any such proxy you give 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.

Your attendance at the special 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 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. 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.
2. See Article VII, Section 5 of the FINRA By-Laws.
3. See Article I (y) of the FINRA By-Laws.

## **Attachment A:**

### **Profile of FINRA Large Firm Governor Nominee**

Gregory J. Fleming is the President of Morgan Stanley Smith Barney and President of Morgan Stanley Investment Management, including Merchant Banking. Mr. Fleming also serves as a member of the firm's Operating Committee.

Mr. Fleming joined Morgan Stanley in February 2010 as president of Morgan Stanley Investment Management and assumed the additional role of president of Morgan Stanley Smith Barney in January 2011.

Prior to joining the firm, Mr. Fleming served as president and chief operating officer of Merrill Lynch from June 2007 to early 2009. From 2003 to 2007, he served as executive vice president and co-president of Merrill Lynch's Global Markets and Investment Banking Group, where he advised leading global corporations, financial institutions, asset management firms, financial sponsors and hedge funds in the United States and internationally.

Mr. Fleming joined Merrill Lynch as an investment banker in 1992. While at Merrill Lynch, he also oversaw the firm's private equity and real estate investment businesses. He also has been a principal at Booz Allen Hamilton. After leaving Merrill Lynch in January 2009, Mr. Fleming was a senior research scholar and distinguished visiting fellow of the Center for the Study of Corporate Law at Yale Law School.

Mr. Fleming is a former board member of BlackRock Inc., a member of the Council on Foreign Relations, a director of Colgate University and a member of the board of advisors for the Yale Law School Center for the Study of Corporate Law. Mr. Fleming is a Phi Beta Kappa, summa cum laude graduate in economics from Colgate University and received his J.D. from Yale Law School.