

Election Notice

NAC Election

FINRA Announces Upcoming Vacancy on the National Adjudicatory Council

Executive Summary

The purpose of this *Election Notice* is to announce an upcoming National Adjudicatory Council (NAC) election for a Small Firm NAC Member.

Eligible individuals may petition to have their name included on the Small Firm NAC Member ballot by following the procedure below.

Note: This *Notice* was distributed electronically to the executive representative of each FINRA member firm and it is posted on FINRA's website at www.finra.org/notices/election/080312. Executive representatives should circulate this *Notice* to their firms' branch managers.

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

- ▶ Marcia E. Asquith, Senior Vice President and Corporate Secretary, at (202) 728-8949; or
- ▶ Jennifer Piorko Mitchell, Assistant Corporate Secretary, at (202) 728-8949.

Background

The NAC is appointed by the FINRA Board of Governors to review all disciplinary decisions issued by FINRA hearing panels and presides over disciplinary matters that have been appealed to or called for review by the NAC. The NAC also reviews statutory disqualification matters, considers appeals of membership proceedings and exemption requests, and acts in other proceedings as set forth in the Code of Procedure.

August 3, 2012

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

Composition of the NAC

The NAC comprises fourteen members—seven industry members and seven non-industry members. The seven industry members of the NAC include two Small Firm, one Mid-Size Firm, two Large Firm and two at-large Industry Members. Of the seven Non-Industry NAC Members, at least three are Public Members.

The Nominating and Governance Committee identifies candidates for all NAC seats, including the five industry member seats that are based on firm size.

Vacancies and Terms

The term of one Small Firm NAC Member expires at the end of 2012 and will be filled with a like member.¹ The successful candidate will serve a three-year term beginning in January 2013.

Nominees and Nomination Process

The Nominating Committee determined it would not nominate a candidate to fill the upcoming Small Firm NAC Member vacancy. Instead, any eligible individual who obtains the requisite number of petitions will be included on the ballot.

Pursuant to Article VI, Section 6.2 of the FINRA Regulation By-Laws, a person who has not been nominated may be included on a ballot for an election to fill an open NAC seat if:

- a. within 45 days of the date of this *Election Notice*, such person presents to the Secretary of FINRA, in the case of petitions solely in support of such person, petitions in support of his or her nomination duly executed by three percent of the members entitled to vote (based on firm size classification) for such nominee's election or, in the case of petitions in support of more than one person, petitions in support of the nominations of such persons duly executed by ten percent of the members entitled to vote (based on firm size classification) for such nominees' election; and
- b. the Secretary certifies that the petitions are duly executed by the executive representatives of the requisite number of members entitled to vote for such nominee's/nominees' election, and the person(s) satisfies/satisfy the classification (Large Firm, Mid-Size Firm or Small Firm) of the NAC seat to be filled, based on such information provided by the person(s) as is reasonably necessary to make the certification.

Firms may only endorse a petition candidate for an open seat that corresponds to the firm's size classification. Therefore, only small firms can endorse a petition candidate in this election. No firm may endorse more than one such candidate.

Individuals interested in petitioning to become candidates must complete a candidate profile form (Attachment A) and submit it to FINRA's Corporate Secretary. Upon receipt of a candidate profile form, the Corporate Secretary will forward the interested individual a list of firms eligible to endorse a candidate for the Small Firm NAC seat.

Individuals submitting petitions must provide information sufficient for the Corporate Secretary to determine that the petitions are duly executed by the executive representatives of the requisite number of small firms by **Monday, September 17, 2012**.

The number of FINRA small firms as of the close of business on Thursday, August 2, 2012, was 4026. The requisite number of small firm endorsements required to meet the above-referenced threshold is 122 for petitions in support of the nomination.

Voting Eligibility

In the case of a contested election, firms are eligible to cast one vote for an industry candidate who is running for a seat that is in the same size category as their own firm. Therefore, only small firms may vote in the upcoming election for a Small Firm NAC Member.

The size classification of each FINRA member firm will be verified on the day the ballots are mailed. All eligible small firms will receive a ballot containing the candidates for the Small Firm NAC seat.

Firm Contact Information

Firms are reminded to accurately maintain their executive representative's name and email address, as well as their firm's main postal address in FINRA's records. This will ensure that important mailings, such as election information, will be properly directed. A firm's failure to keep this information accurate may jeopardize the firm's ability to participate in elections.²

To update an executive representative's name, mailing address and email address, firms may access the FINRA Contact System, via the Firm Gateway at: <https://firms.finra.org/fcs>. For assistance updating information, please contact the FINRA Office of the Corporate Secretary at (202) 728-8949.

Endnote

1. The terms of one at-large NAC Member and three Non-Industry NAC Members expire at the end of the year. These seats will be filled by individuals nominated by the Nominating and Governance Committee and appointed by the FINRA Board.
2. Pursuant to NASD Rule 1160, firms must update their contact information promptly, but in any event not later than 30 days following any change in such information, as well as review and, if necessary, update the information within 17 business days after the end of each calendar year. Additionally, firms must comply with any FINRA request for such information promptly, but in any event not later than 15 days following the request, or such longer period that may be agreed to by FINRA staff. *See* NASD Rule 1160 and FINRA *Regulatory Notice* 07-42 (September 2007).

Attachment A

Candidate Profile Form—National Adjudicatory Council Election Election for a Small Firm NAC Member

Please complete all sections and email this document to CorporateSecretary@finra.org. An electronic version of this form is also available at www.finra.org/notices/election/080312.

Name: _____ Date: _____

(As you would like it to appear on official correspondence)

Current Registration

Title/Primary Responsibility:

Firm Name: Firm CRD#:

Individual CRD #: _____ Number of Registered Reps. at Firm: _____

Address

Street Address: _____ Suite/Floor: _____

City: _____ **State:** _____

Email:

Phone: _____

Provide a brief biography. You may want to consider including your employment experience, service on other industry-related boards and committees, etc. (No more than 500 words.)

