

Election Notice

Notice of Election and Ballots for FINRA Small Firm NAC Member Seat

Ballots Due: November 16, 2012

Executive Summary

The purpose of this *Election Notice* is to notify small firms of the election for the open National Adjudicatory Council (NAC) Small Firm seat and to distribute to eligible FINRA small firm members the ballots to vote for a Small Firm NAC Member.

Small firms are urged to vote in this election. In order for a ballot to be considered valid, it must be signed by the executive representative of the small firm eligible to vote in the election. Small firms that are members of FINRA as of the close of business on October 16, 2012, will be eligible to vote.

Ballots must be returned no later than November 16, 2012.

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/NACElection/101712.

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) 278-8949.

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 and considers appeals of membership proceedings and exemption requests.

October 17, 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.

Pursuant to Article V, Section 5.3 of the FINRA Regulation By-Laws, the FINRA Board appoints all members of the NAC. The FINRA Board appoints the at-large Industry and Non-Industry Members of the NAC from candidates recommended by the Nominating and Governance Committee. The FINRA Board also appoints the Small Firm, Mid-Size Firm, and Large Firm Members of the NAC from candidates recommended by the Nominating Committee. In the event of a contested election the candidate receiving the largest number of qualified votes is declared the nominee, and the Nominating Committee sends a written certification of the results to the FINRA Board and nominates such candidate for appointment to the NAC.

Candidates for Small Firm NAC Member

In July 2012, FINRA's Nominating and Governance Committee decided not to nominate a small firm candidate, instead allowing eligible individuals to petition for inclusion on the ballot for election.

Two individuals submitted the requisite number of valid petitions for inclusion on the ballot as Small Firm NAC Member candidates:¹

- ▶ Alan Davidson—CEO of Zeus Securities, Inc.
- ▶ Paige W. Pierce—President & CEO of RW Smith & Associates, Inc.

Profiles of each of the Small Firm NAC Member candidates are included in Attachment A.

Term of Office

NAC members hold office for three-year terms. The FINRA Board will appoint the elected Small Firm NAC Member to a three-year term beginning January 1, 2013.

Voting Eligibility

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 this election for a Small Firm NAC Member candidate.

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 vacant Small Firm NAC Member 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, are 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.

Voting Methods

Small firms will be able to submit ballots by U.S. mail. The ballot sent to eligible small firms contains detailed instructions on the submission procedures. Ballots must be postmarked on or before November 16, 2012.

Endnotes

1. Pursuant to Section 6.2 of the FINRA Regulation By-Laws, a person who has not been nominated by the Nominating and Governance Committee may be included on a ballot if he or she is eligible to hold an open seat and obtains the requisite number of petitions in support of his or her nomination from members entitled to vote (based on firm size classification) for such nominee's election.
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 [Regulatory Notice 07-42](#) (September 2007).

Attachment A – Profiles of Petition Candidates for Small Firm NAC Member Seat

Alan Davidson

CEO, Zeus Securities, Inc.

Alan L. Davidson has been in the finance and investment securities industry since 1964, forty-eight years. He has served continuously on boards for over fifty-five years. Presently he is founder and CEO, Zeus Securities, Inc., Hauppauge, NY, a small business NASD (now FINRA) securities firm member since 1988.

Mr. Davidson is also founder and CEO of the Independent Broker-Dealer Association, Inc. with 250 investment firm members across the United States.

A former elected member of the NASD District 10 Business Conduct Committee, he originated the District 10 News, a publication informing and alerting NASD members to potential compliance problems.

Mr. Davidson testified before the Securities and Exchange Commission and the NASD's Rudman Commission for constructive reforms. The Rudman Commission and NASD adopted his suggestion to create an NASD Ombudsman.

On December 17, 1998, he was featured in a *New York Times* finance page article about his efforts to bring reform to the securities industry. Subsequently, he was elected to the NASD Board of Governors. On the NASD Board, he worked to restructure the NASDAQ Stock Market to make it more responsive to the public interest.

In January 2009, he was elected to a three-year term on the FINRA National Adjudicatory Council (NAC). The election for a small firm NAC member, which Mr. Davidson won, involved approximately 4,300 small and independent securities firms, who comprise 92 percent of all securities firms in the United States. The NAC hears appeals of disciplinary matters.

Mr. Davidson is a graduate of C.W. Post College where he served as president of the Alumni Association. He presently resides in Florida, where he is a member of the Pompano Beach Elks and the Deerfield Beach American Legion.

Paige W. Pierce

President & CEO, RW Smith & Associates, Inc.

Paige W. Pierce brings over 28 years of senior level investment industry experience with major corporate entities and regional firms in the North American capital markets to RW Smith. Ms. Pierce is an experienced, innovative and visionary hands-on strategic planner. She has extensive trading and sales, compliance, operational, business and product development, as well as strategic partner development experience both domestically and internationally. In her current position she oversees the growth and strategy of the firm, works closely with industry regulatory agencies, and continues to focus on ensuring retail-focused firms and their customers have access to market pricing, information flow, extended distribution, transparency and the wholesale market.

Prior to rejoining RW Smith, Ms. Pierce served as Chief Financial Officer of Agincourt, Ltd., a Bermuda-based NASD member broker-dealer that designs structured securities products for the fixed income institutional market in the United States and abroad. At Agincourt she supported the firm's investment banking activities for both tax-exempt and taxable issuers, operational management and strategic planning.

Preceding Agincourt, Ms. Pierce deepened her knowledge of and experience within the industry with positions as vice president and manager of portfolio operations at LaSalle National Bank/ABN-AMRO; chief financial officer at Lee Asset Management Company; and chief financial and operating officer at Ross Sinclair & Associates, a full service broker-dealer.

Ms. Pierce was a founding principal and the Chief Financial and Operating Officer for RW Smith. She developed and managed the firm's operational, financial, compliance and systems departments. Ms. Pierce began her financial career in 1983 at PaineWebber, Inc.

Ms. Pierce actively serves as a member of the SIFMA Small Firms Advisory Committee, Municipal Executive Committee, Municipal Broker's Broker Committee (Chair 2008-2011), and the Emergency Markets & Calendar Committee. In 2008, she was elected to serve a three-year term on the FINRA District 3 Committee (Chair 2010-2011) and currently serves on the FINRA Fixed Income Committee. She serves as hearing panelist for FINRA and is a frequent speaker at industry events.

Ms. Pierce is a member and Network Chair of the Utah Chapter of the Young Presidents' Organization (YPO) and previously held the position of Chair of the YPO Pacific Region Women's International Network (2007-2009). She is currently on the YPO Advisory Board with Stanford University and has previously represented the Small Firm sector of the municipal bond market in Municipal and Credit Markets meetings with the Federal Reserve Chairman.

In 2008, Ms. Pierce was appointed by the United States Air Force 388th Fighter Wing as Honorary Commander at Hill Air Force Base in Utah and serves to this day with pride. She is also currently on the boards of directors of RW Smith, CHOICE Humanitarian and Judge Memorial Catholic High School in Salt Lake City, Utah.

