

Election Notice

Special Election to Fill a FINRA Large Firm Governor Vacancy

Petitions for Candidacy Due: Monday, June 4, 2018

Summary

FINRA will conduct a special meeting of large firm members on or about Thursday, June 28, 2018, to elect one individual to fill a vacant Large Firm Governor seat on the FINRA Board of Governors (FINRA Board).¹ A formal notice of the special meeting, including the precise date, time and location, will be mailed to executive representatives on or about Monday, June 11, 2018.

Eligible individuals who have not been nominated by FINRA's Nominating Committee may be included on the ballot for the election of governors by following the petition procedures set forth in the By-Laws and as further described in this *Election Notice*.

Note: FINRA distributed this *Notice* electronically to the executive representative of each FINRA firm and it is posted online at www.finra.org/Notices/Election/042018.

Executive representatives should circulate this *Notice* to their firms' branch managers.

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

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

Composition of the Board

The FINRA Board consists of 23 members,² including:

- ▶ the Chief Executive Officer of FINRA;
- ▶ twelve Public Governors;
- ▶ one Floor Member Governor;
- ▶ one Independent Dealer/Insurance Affiliate Governor;

April 20, 2018

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

- ▶ one Investment Company Affiliate Governor;
- ▶ three Small Firm Governors;
- ▶ one Mid-Size Firm Governor; and
- ▶ three Large Firm Governors.

Of the 23 Board members, Public Governors, the Floor Member Governor, the Independent Dealer/Insurance Affiliate Governor and the Investment Company Affiliate Governor (Appointed Governors) are appointed by the FINRA Board from candidates recommended by the Nominating Committee.

The Nominating Committee also may nominate individuals to run for election for the seven elected governor seats that comprise the three Small Firm Governors, one Mid-Size Firm Governor and three Large Firm Governors (Elected 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 between one and 150 registered persons;³
- ▶ a mid-size firm employs between 151 and 499 registered persons;⁴ and
- ▶ a large firm employs at least 500 registered persons.⁵

FINRA Nominating Committee Nominee

FINRA's Nominating Committee nominated Shelley S. O'Connor, Managing Director and Co-Head of Wealth Management at Morgan Stanley, to fill a large firm governor vacancy on the FINRA Board.⁶

Ms. O'Connor's biographical profile is attached.

Petition Process for Additional Candidates

Pursuant to Article VII, Section 10 of FINRA's By-Laws, a person who has not been nominated by the Nominating Committee may be included on the ballot for the election of governors if:

(a) within 45 days after the date of this *Election Notice*, such person presents to the Secretary of FINRA, petitions in support of such nomination, duly executed by at least three percent of FINRA member firms entitled to vote for such nominee's election; and

(b) the Secretary certifies that such petitions have been duly executed by the executive representatives of the requisite number of FINRA member firms entitled to vote for such person's election, and the person being nominated satisfies the classification of the governorship to be filled based on the information provided by the person as is reasonably necessary for the Secretary to make the certification.

The number of FINRA Large Firms as of close of business on Thursday, April 19, 2018, was 175, and the requisite number of Large Firms required to meet the above-referenced threshold is 6.

Only Large Firm members may endorse nominees for the vacant Large Firm Governor seat. No firm may endorse more than one such nominee.

Petitioners must submit sufficient information to determine the person's status with respect to the category for which he or she is petitioning to be nominated. Petitioners must also provide information sufficient for the Corporate Secretary to determine that the petitions are duly executed by the executive representatives of the requisite number of large firms. In addition, to assist in the process of verifying petitions, FINRA requests that all petitions submitted be dated by their signatory. **Petitions must be submitted no later than Monday, June 4, 2018.**

The names of persons obtaining the requisite number of valid petitions will be included on the proxy mailed to eligible large firms in advance of the special meeting.

Term of Office

The elected individual will complete a term scheduled to conclude at FINRA's 2020 annual meeting, or until his or her successor is duly elected or qualified, or until death, resignation, disqualification or removal.⁷

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.

Individuals seeking nomination for election as a Large Firm Governor have an obligation to satisfy the firm-size classification on the date the petition is circulated, the date the petition is certified by FINRA's Corporate Secretary and the date of the special meeting. Individuals who fail to meet this requirement will be disqualified from election.

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, only large firms may vote for the candidates running in this election. A proxy will be mailed, along with notice of the special meeting, to the executive representative of record at each eligible FINRA large firm prior to the meeting.

Endnotes

1. This election will fill the large firm governor seat on the Board vacated by Stephen M. Cutler upon his resignation, effective March 30, 2018.
2. See Article Eight, paragraph (b) of the Restated Certificate of Incorporation of FINRA; Article VII, Section 4 of the FINRA By-Laws.
3. See Article I (ww) of the FINRA By-Laws.
4. See Article I (cc) of the FINRA By-Laws.
5. See Article I (y) of the FINRA By-Laws.
6. See Article VII, Section 9 of the FINRA By-Laws,
7. See Article XXII, Section 3 of the FINRA By-Laws.

Attachment A: Profile of FINRA Large Firm Governor Nominee

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.