

# Election Notice

## Notice of Annual Meeting of FINRA Firms and Proxy

### Summary

FINRA will conduct its Annual Meeting of firms on Tuesday, August 28, 2018, at 2:00 p.m. Eastern Time in the FINRA Visitors Center at 1735 K Street, NW, in Washington, D.C. The purpose of the meeting is to elect individuals to fill one small firm seat, one mid-size firm seat and one large firm seat on the FINRA Board of Governors (FINRA Board).<sup>1</sup>

It is important that all eligible 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, it must be signed by the executive representative of the firm eligible to vote in the election.

Firms that are members of FINRA as of the close of business on Friday, July 20, 2018 (the Annual Meeting record date), are 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/072318](http://www.finra.org/notices/election/072318).**

Questions regarding this *Notice* may be directed to:

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

**July 23, 2018**

### Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

## Election of Governors

*Election Notice 5/25/18* previously announced the three upcoming vacancies on the FINRA Board, FINRA's nominees, and the process by which interested individuals could seek petitions in support of their nomination to be included on the proxy.<sup>2</sup>

Below is the list of candidates who were either nominated by the Nominating Committee or submitted the requisite number of petitions in support of their nomination and have been certified by the Corporate Secretary of FINRA as satisfying the classification of the governorship to be filled.

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### Large Firm Governor Candidate

#### **FINRA Nominating Committee Nominee**

- ▶ Timothy C. Scheve, President and Chief Executive Officer of Janney Montgomery Scott LLC

#### **Nominee by Petition<sup>3</sup>**

- ▶ None

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### Mid-Size Firm Governor Candidates

#### **FINRA Nominating Committee Nominee**

- ▶ Brian J. Kovack, Co-Founder & President of Kovack Securities, Inc.

#### **Nominee by Petition**

- ▶ Jay Lanstein, Chief Executive Officer of Cantella & Co., Inc.

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### Small Firm Governor Candidates

#### **FINRA Nominating Committee Nominee<sup>4</sup>**

- ▶ None

#### **Nominees by Petition**

- ▶ Paige W. Pierce, Senior Vice President of Larimer Capital Corp.
- ▶ Michelle Thomas, Chief Compliance Officer of WBB Securities, LLC
- ▶ Jim R. Webb, CEO of Cape Securities, Inc.
- ▶ Carrie Wisniewski, President of Bridge Capital Associates, Inc.

Attachment A includes the profile of the Large Firm Governor candidate; attachment B includes the profiles of the Mid-Size Firm Governor candidates; and Attachment C contains the profiles of the Small Firm Governor candidates.

## Term of Office

Governors are appointed or elected to three-year terms. Governors may not serve more than two consecutive full terms.<sup>5</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 and the Governor's continued service would violate the compositional requirements of the Board set forth in the FINRA By-Laws.

## 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, all firms registered with FINRA as of the close of business on Friday, July 20, 2018, will receive a proxy card listing the candidates running for the seat that is the same size category as their own firm.

Along with a copy of this *Notice*, a proxy listing the Small Firm Governor candidates was mailed to the executive representative of each eligible small firm; a proxy listing the Mid-Size Firm Governor candidates was mailed to the executive representative of each eligible mid-size firm; and a proxy listing the Large Firm Governor candidate was mailed to the executive representative of each eligible large firm.

## Voting Methods

Firms will be able to 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 Annual Meeting and vote in person. The proxy mailed to each eligible firm contains detailed instructions on the proxy submission procedures.

For purposes of the election, for each open Governor seat, a quorum must be met in each size category. Therefore, as mentioned above, it is important that all firms be represented at the Annual Meeting. Following receipt of this *Notice* and proxy, executive representatives 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.

## 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 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. To be eligible to serve, Small Firm Governors must be registered with a small firm, Mid-Size Governors must be registered with a mid-size firm and Large Firm Governors must be registered with a large firm. *See* FINRA By-Laws, Article I (xx), (dd) and (z). Pursuant to Article I of FINRA's By-Laws, a small firm is defined as a firm that employs between one and 150 registered persons; a mid-size firm is a firm that employs between 151 and 499 registered persons; and a large firm is a firm that employs at least 500 registered persons.
2. 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. *See* FINRA By-Laws, Article VII, Section 10.
3. There are no petition candidates for the Large Firm Governor seat.
4. With respect to the Small Firm Governor seat, the Nominating Committee did not nominate a candidate for this election. Instead, all candidates qualified by obtaining the requisite number of valid petitions to be included on the small firm proxy.
5. *See* Article VII, Section 5. If a Governor is elected or appointed to fill a vacancy for a term of less than one year, the Governor may serve up to two consecutive full terms following the expiration of the Governor's initial term. *Id.*

## **Attachment A: Profile of Large Firm Governor Candidate**

### **Timothy C. Scheve, President and Chief Executive Officer of Janney Montgomery Scott LLC**

Timothy C. Scheve is President and Chief Executive Officer of Janney Montgomery Scott LLC. Janney is a full-service financial services firm, providing comprehensive financial advice to individual, corporate and institutional clients.

Mr. Scheve became the President and CEO in August 2007 and has over 30 years of experience in the securities industry. Since his arrival at Janney, Mr. Scheve has assembled a leadership team that has a tremendous ability to adapt to rapidly evolving client needs and economic changes. These top professionals lead two core business—the Private Client Group and Capital Markets—and ensure efficient operations and administration.

Before becoming the President and CEO of Janney, Mr. Scheve served in a variety of leadership roles at Legg Mason. He was appointed Executive Vice President of Legg Mason in 1998 and Senior Executive Vice President in 2000. In 2003, he was named President and CEO of Legg Mason's broker-dealer, the former Legg Mason Wood Walker, Inc.

Mr. Scheve earned a B.A., summa cum laude, from Catholic University and an A.M. in economics from Brown University. He was elected to Phi Beta Kappa.

Mr. Scheve has always used his expertise to support both the financial services industry and his community. His professional affiliations include roles on the Board of Directors of Ben Franklin Technology Partners of Southeastern Pennsylvania and the Board of Directors of the Securities Industry and Financial Markets Association. Past affiliations include serving as a trustee for The Catholic University of America, member of the Board of Directors of the Kimmel Center, member of the Board of Directors of The Pennsylvania Trust Company, Chair of the National Aquarium in Baltimore, President of the Maryland Committee for Children, Vice Chair of the ICI Mutual Insurance Company, and trustee for the House of Ruth and the Baltimore Community Foundation.

## Attachment B: Profiles of Mid-Size Firm Governor Candidates

- ▶ **Brian J. Kovack**, Co-Founder & President, Kovack Securities, Inc.
- ▶ **Jay Lanstein**, Chief Executive Officer, Cantella & Co., Inc.

### **Brian J. Kovack, Co-Founder & President, Kovack Securities, Inc.**

Mr. Brian Kovack, Esq., is a Co-Founder and President of Kovack Securities, a national full-service independent broker-dealer based in Fort Lauderdale, Florida. In this role, Mr. Kovack oversees the firm's day-to-day operations and serves as a strategic partner to its 400 affiliated financial advisors across the country.

In 2015, Mr. Kovack was elected by industry petition to the Financial Industry Regulatory Authority (FINRA) Board of Governors and is serving a three-year term. He also serves on the FINRA Regulatory Policy Committee as well as the Finance, Operations & Technology Committee. Prior to serving on the current FINRA Board, in 2006, Mr. Kovack was elected to serve as the Industry Representative on the NASD Board of Governors and the FINRA Interim Board of Governors. In addition, he completed a three-year term on the FINRA District 7 Committee, and served a one-year term on the FINRA Regulatory Advisory Committee in 2013.

Mr. Kovack received a Bachelor of Science in Finance from the University of Florida. He earned Master of Accounting and Juris Doctorate (J.D.) degrees from Nova Southeastern University, and has been a member of the Florida Bar and American Bar Association since 2000.

In 2004, Mr. Kovack graduated from the FINRA Institute at Wharton Program at the University of Pennsylvania, where he earned the Certified Regulatory and Compliance Professional (CRCP) designation. He has served as a FINRA Dispute Resolution arbitrator since 2003 and has been a Hearing Officer for FINRA disciplinary hearings. Mr. Kovack maintains the Series 7, 24, 27, 53, 63 and 65 licenses.

### **Jay Lanstein, Chief Executive Officer, Cantella & Co., Inc.**

Jay Lanstein is the Chief Executive Officer and Chief Information Officer at Cantella & Co., Inc. Cantella is a dually registered broker-dealer and SEC RIA, and serves multiple business lines to a nationwide client base. The firm's primary business is serving its 200 independent advisors, but also offers custodial services to independent and hybrid RIAs and clearing for broker-dealers through tri-party arrangements through three clearing firms.

Mr. Lanstein joined Cantella in 2002 as a part-time intern while attending Boston College. Within his first year, he developed a fully automated commissions system, in addition to developing custom software for the firm's Operations and Compliance departments. Following the completion of a B.A. in Economics, Mr. Lanstein accepted a full-time position

in 2004. Since joining the firm, Mr. Lanstein has programmed custom systems for general ledger reconciliation, net capital computation, compliance exception reporting, trading, imaging and workflow, and operations automation.

Mr. Lanstein was elected to Cantella's Board of Directors in 2008 and became the Chief Executive Officer in 2009. In 2014, he led a management buyout of the firm from the Cantella family. He is currently responsible for senior management oversight of Operations and Information Technology, in addition to duties including everything from business development to software development, as well as management of complex legal and regulatory matters.

In 2014, Mr. Lanstein was elected to a three-year term on the FINRA District 11 Committee. He maintains Series 4, 7, 9, 10, 24, 27, 53, 55, 63 and 65 licenses.

## Attachment C: Profiles of Small Firm Governor Candidates

- ▶ **Paige W. Pierce**, Senior Vice President, Larimer Capital Corp.
- ▶ **Michelle Thomas**, Chief Compliance Officer, WBB Securities, LLC
- ▶ **Jim Webb**, CEO, Cape Securities, Inc.
- ▶ **Carrie Wisniewski**, President, Bridge Capital Associates, Inc.

### **Paige W. Pierce, Senior Vice President, Larimer Capital Corp.**

Paige W. Pierce brings over 30 years of senior-level investment industry experience with small firms and major corporate entities in the North American capital markets to her professional endeavors. She has extensive trading and sales, compliance, operational, business and product development, as well as strategic partner development experience both domestically and internationally.

Ms. Pierce has owned, operated, and performed every function in the organization of broker-dealers during the course of her career. She has played principal roles in multiple startups, guiding them to profitable exits, and realized equal success turning around underperforming organizations and helping growing concerns figure out “what’s next?”

On the regulatory and legislative front, Ms. Pierce spent the better part of 20 years advocating on behalf of small firms, working to advance regulatory and legislative understanding of these important segments of financial services and the challenges they face. Currently, she is working with Congress, the SEC, PCAOB and FINRA, among others, to obtain an exemption for small, non-public, non-custodial brokers and dealers from PCAOB audits.

Ms. Pierce has been invited to the Federal Reserve, offices of Congressional legislators, the Securities and Exchange Commission and other regulatory agencies, and has been included in important policy discussions.

Ms. Pierce is an active member of YPO (Young President’s Organization) and an Honorary Commander and Falcon with the 388th FW out of Hill Air Force Base in Utah.

### **Michelle Thomas, Chief Compliance Officer, WBB Securities, LLC**

Michelle Thomas is the Chief Compliance Officer, Chief Financial Officer, and Chief Operations Officer of WBB Securities, LLC. WBB is a dually registered broker-dealer and RIA for retail investors, as well as an investment banking, merger & acquisition, and research firm specializing in the biotechnology sector. As an officer of a small firm with only 13 registered representatives and three branch offices, Ms. Thomas has a multi-faceted role where she has involvement in trading, operations, insurance, all accounting functions, and all compliance duties.

Ms. Thomas has nearly three decades of experience in senior management. Her securities career began as an administrative assistant at Jack White & Company, a small discount brokerage firm that grew rapidly from 30 employees to over 600 before being acquired by TD Waterhouse. As Jack White & Company grew, so did Ms. Thomas' responsibilities. She was quickly promoted to management while learning a wide array of duties along the way, including human resources, payroll / commission processing, facilities management, and IT. After the sale of the firm to TD Waterhouse, Ms. Thomas decided to establish her own business as an Allstate Financial Services and Insurance Agency.

In 2013, Ms. Thomas joined WBB Securities, where her unique skillset would be put to use. Although Ms. Thomas is not the owner of WBB, as a former business owner herself, she runs the firm from an owners' perspective. She brings a very matter-of-fact approach to overcoming the challenges faced everyday as a principal of a small broker-dealer, RIA, investment banking, research firm.

Ms. Thomas is in her fourth year as a District 2 Committee member, and was a 2017 NAC candidate. She has served on approximately 20 FINRA hearing panels. She holds the series 7, 66 and 24, as well as Life, Health, & Disability in various states. She is a graduate of the Certified Regulatory and Compliance Program (CRCP) through the FINRA Institute at Wharton School of Business.

### **Jim Webb, CEO, Cape Securities, Inc.**

Jim Webb began his career in 1990 as a financial planner and has continued to grow in the evolving industry. For 15 years of his 28 years, he worked for several fund and annuity companies as their regional wholesaler. In that time, he met with thousands of brokers and 100s of broker-dealers.

In 2007, Jim became the owner of Cape Securities, Incorporated. Under his ownership, Cape has grown over the past 10 years from a tiny firm with just two financial advisors into a firm with just under 100 representatives serving customers nationwide.

As a member of the District 7 Committee and Regulatory Advisory Committee (RAC), Jim has experience balancing the needs of regulators with the challenges faced by a small firm. Jim enjoys productive interaction with other FINRA members and staff in seeking solutions to problems that face the industry nationwide that he sought to serve and has served, both past and present.

Jim has served as a panelist and speaker at many FINRA regional and national meetings. Topics covered include: how a small firm can best use social media; changes in business and how to best consult the CMA/MAP groups and outside business activities; technology challenges for small firms; and many more.

He currently holds Series 4, 7, 8, 24, 28, 63 and 66 securities registrations and insurance licenses. While building his broker-dealer, he also created an insurance agency and an SEC-registered investment advisory.

### **Carrie Wisniewski, President, Bridge Capital Associates, Inc.**

Carrie Wisniewski, a former NASD senior examiner and currently a small broker-dealer owner and compliance consultant, has 32-plus years of securities industry experience. and has earned her MBA degree in Finance. Carrie holds numerous industry designations, including Certified Fraud Examiner, Certified Financial Crimes Specialist, Certified Regulatory Compliance Professional, Certified Securities Compliance Professional and Certified Financial Planner. She also maintains several FINRA licenses, including the 4, 7, 24, 27, 28, 53, 63, 79 and 99, and is qualified as an industry arbitrator for FINRA Dispute Resolution.

Carrie's securities career accomplishments include employment as a broker and also as a member of the Compliance Department of Merrill Lynch. She was formerly employed by the Atlanta District Office of FINRA as a senior compliance examiner, where she earned awards for outstanding achievements. Carrie is currently serving her second term on the FINRA District 7 Committee (South Region). She is currently a member of the Forensic Expert Witness Association and the National Society of Compliance Professionals, where she serves on the Broker-Dealer Forum.

Carrie has served as Founder and President of B/D Compliance Associates, Inc. for the last 24 years, where she offers her broker-dealer and registered investment advisor clients the industry expertise she has gained from her unique regulatory and street-side combined experience.

In 2007, Carrie founded Bridge Capital Associates, Inc., a FINRA member broker-dealer focused on investment banking and M&A transactions. The firm currently has 42 registered representatives nationwide. Carrie serves as Chief Executive Officer.