

# Election Notice

## FINRA Announces Nomination Process to Fill Upcoming Vacancies on the National Adjudicatory Council

**Petitions for Candidacy Due: October 5, 2017**

### Summary

The purpose of this *Election Notice* is to announce the nomination process to fill one large firm vacancy and one small firm vacancy on the National Adjudicatory Council (NAC).

FINRA's Nominating and Governance Committee (Nominating Committee) nominated Belinda Blaine for the Large Firm NAC seat and Timothy Henahan for the Small Firm NAC seat.

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

**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/082117](http://www.finra.org/notices/election/082117). 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, Board and External Relations, at (202) 728-8949; or
- ▶ Jennifer Piorko Mitchell, Vice President, Corporate Governance, at (202) 728-8949.

**August 21, 2017**

### Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

## 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, exercises exemptive authority and acts in other proceedings as set forth in the Code of Procedure.

## Composition of the NAC

The NAC comprises fifteen members—seven industry members and eight 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 eight Non-Industry NAC Members, at least three are Public Members.

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

## Vacancies and Terms

The terms of one Large Firm NAC Member and one Small Firm NAC Member expire at the end of 2017 and will be filled with like members.<sup>1</sup> The successful candidates will serve three-year terms beginning in January 2018.<sup>2</sup>

## Nomination Committee Nominees

FINRA's Nominating and Governance Committee nominated the following individuals to fill the vacant Large Firm and Small Firm NAC Member seats:

- ▶ **Nominee for Large Firm NAC Member:** Belinda Blaine, Managing Director, Morgan Stanley & Co., LLC
- ▶ **Nominee for Small Firm NAC Member:** Timothy Henahan, President and Chief Executive Officer, Baker & Co., Incorporated

Profiles of the FINRA nominees are included in Attachment A.

## Petition Process for Additional Candidates

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 Large Firm, Mid-Size Firm or Small firm seat on the NAC 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 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 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 firm size classification of the NAC seat to be filled, based on such information provided by the person(s) as is reasonably necessary to make the certification.

As of the close of business on Friday, August 18, 2017, the number of FINRA large firms was 181 and small firms was 3,434.

Firms may only endorse a petitioner for an open seat that corresponds to the firm's own size classification. No firm may endorse more than one such candidate.

Individuals interested in petitioning to become candidates must complete a candidate profile form (Attachment B) 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 that seat (based on firm size classification).

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 firms by Thursday, October 5, 2017.

## 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, large firms may vote for a Large Firm NAC candidate and small firms may vote for a Small Firm NAC candidate. The size classification of each FINRA member firm will be verified on the day the ballots are mailed. All eligible firms will receive a ballot listing the candidates for the appropriate vacant 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.<sup>3</sup>

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>.

## Endnotes

1. The terms of two Non-Industry NAC Members will also expire at the end of 2017. These seats will be filled by individuals nominated by the Nominating Committee and appointed by the FINRA Board at a later date.
2. On June 17, 2016, the Securities and Exchange Commission approved a rule change to amend the FINRA Regulation By-Laws, which included lengthening the terms of all new NAC members, after a three-year transitional period, to four years. See Securities Exchange Act Release No. 78094 (June 17, 2016), 81 FR 40932 (June 23, 2016) (Order Approving Proposed Rule Change Relating to Composition, Terms of Members and Election Procedures for the National Adjudicatory Council; File No. SR-FINRA-2016-14). The individuals nominated for election above were nominated to serve terms of less than four years to achieve the staggering necessary to have divided the NAC into four classes at the end of the transitional period.
3. Pursuant to FINRA Rule 4517, 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 FINRA Rule 4517 and *FINRA Regulatory Notice 07-42* (September 2007).

## Attachment A

### Large Firm NAC Member Nominee

#### Belinda Blaine

Ms. Blaine is a Managing Director and the Chief Compliance Officer of Morgan Stanley's U.S. swap dealers. She is also Head of Compliance Regulatory Policy and Strategy for Morgan Stanley's Americas institutional securities business, covering Dodd-Frank Compliance, Policies and Procedures, Canada Compliance, Regulatory Counsel, Culture and Conduct and related areas.

Before joining Morgan Stanley's London office in 2002 as Executive Director in the Legal Division, Ms. Blaine held several positions at the SEC, including Counsel to Chairman Levitt and Associate Director of the Division of Trading and Markets. As Associate Director, she oversaw an office responsible for developing regulations governing the U.S. National Market System and served on the Steering Committee of the President's Working Group on Financial Markets. She is a recipient of the SEC Capital Markets and Government Senior Executive Service Distinguished Service Awards.

Ms. Blaine served on the FINRA Market Regulation Committee from 2014-2017 and is currently a member of the SIFMA Compliance and Regulatory Policy Committee. She is a member of the California bar and previously served as an Adjunct Professor at Georgetown University School of Law's LLM program. She is a graduate of UCLA School of Law and Pomona College.

### Small Firm NAC Member Nominee

#### Timothy Henahan

Mr. Henahan is President and Chief Executive Officer of the Rocky River, Ohio based securities firm of Baker & Co., Incorporated. Baker & Co. is a general securities dealer offering a wide variety of financial products and services, including financial planning, investment advisory and brokerage.

Mr. Henahan has been an active volunteer in the financial industry since 1992. His participation in the regulatory process includes service to NASD and FINRA. He served as a member of the NASD District 8 Business Conduct and Nominating Committees and the Small Firm Rules Impact Task Force. He served on the NAC in 1999 and from 2005 to 2008 and as Chairman of the Statutory Disqualification Committee from 2007 to 2008. He has served as a member of numerous NAC and SD subcommittees since his NAC term ended. His activities also include participation in SIFMA, where he was a long standing member of the Small Firms Committee. Other associations have included the Securities Traders Association, Bond Club of Cleveland and the Cleveland Association for Business Economics.

Mr. Henahan holds a Bachelor of Arts degree in Economics from Roanoke College. He is also a graduate of the Securities Industry Institute program, sponsored by SIFMA and the University of Pennsylvania, Wharton School of Business.

## Attachment B

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

Please complete all sections and email this document to [CorporateSecretary@finra.org](mailto:CorporateSecretary@finra.org). An electronic version of this form is also available at [www.finra.org/notices/election/082117](http://www.finra.org/notices/election/082117).

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 or summary of your qualifications to serve as a NAC member. You may want to consider including your employment experience, service on other industry-related boards and committees, etc. Provide a statement of why you are running for a NAC seat and why firms should vote for you. (No more than 500 words.)