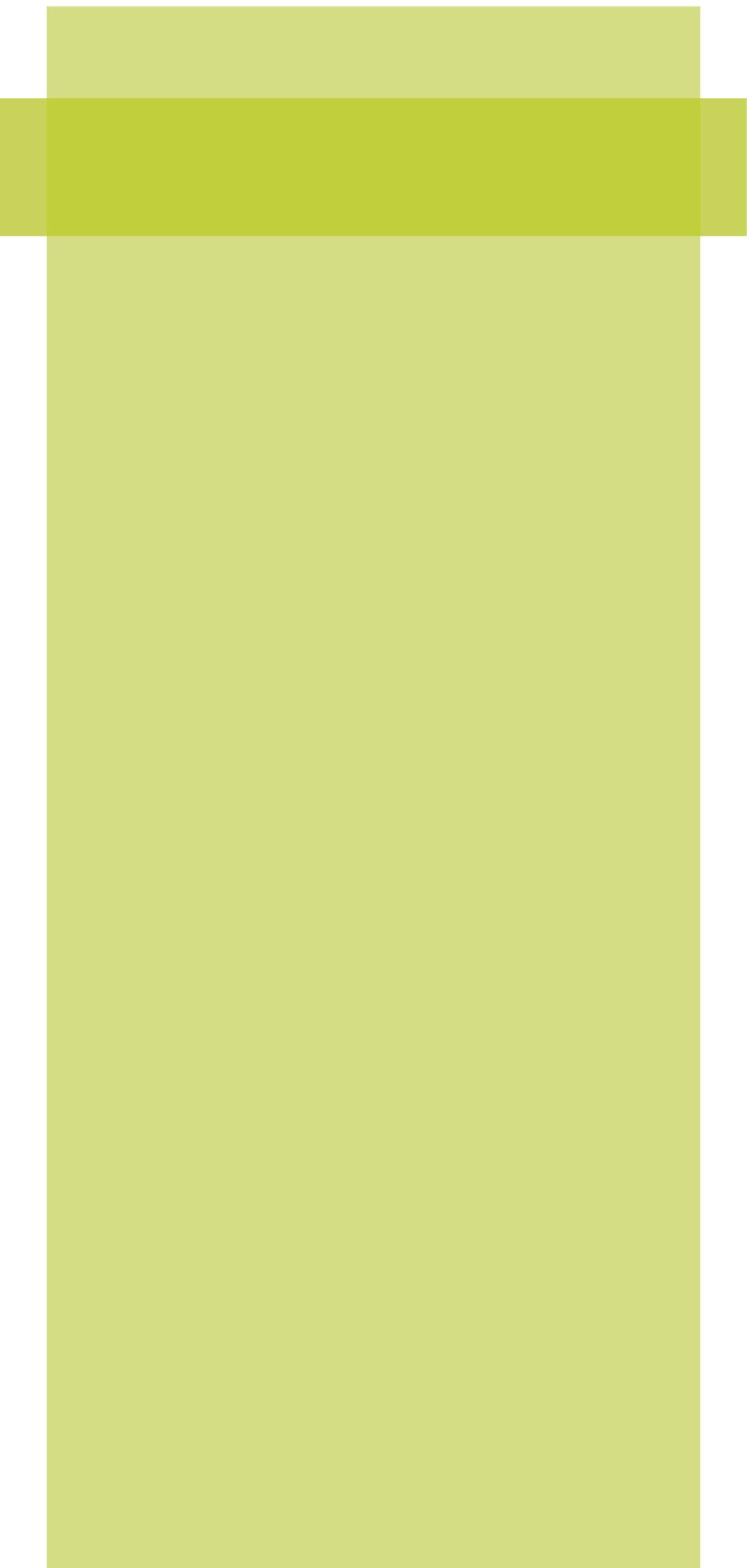




Financial Industry Regulatory Authority

Office of the Ombudsman



Pointing The Way To Fair And Effective Solutions

The Office of the Ombudsman was created as an independent office to receive and address concerns and complaints, whether anonymous or not, from any source (within or outside of FINRA) concerning operations, enforcement or other FINRA activities.

What is an Ombudsman? A resource for your issues, concerns or problems

In essence, an ombudsman's role is to act as an impartial, confidential, and independent source of assistance in the resolution of an organization's challenges and those of the customers the organization serves. To provide that assistance, the office enjoys the full support and confidence of FINRA's top management and the Audit Committee of the Board of Governors. The ombudsman has the authority to look into any situation, to review any pertinent documents, and to meet with and discuss the situation with anyone who has knowledge of the matter before him.

The office was not created to replace the already existing FINRA programs of adjudication, Dispute Resolution, Internal Audit or other internal processes. In fact, where established procedures currently exist regarding the application of rules, policies, procedures or interpretations, the ombudsman will direct the complaint to the appropriate office, department or organization. The ombudsman will attempt to assist you in identifying several options for resolving your concern, even if the ombudsman's office does not become directly involved in the matter.

The Ombudsman Helps ... if you have a problem that involves FINRA

The ombudsman is available to help you in a variety of ways by:

- ▶ listening to complaints, concerns, problems and issues;
- ▶ helping you identify, understand and discuss your matter, and explore and evaluate available options in a straightforward manner;
- ▶ clarifying certain decisions, policies and practices;
- ▶ referring callers to the appropriate resources;
- ▶ creating access to information, if appropriate, and opening the channels of communication;
- ▶ acting as an alternate channel of communication to management and FINRA staff;
- ▶ identifying actions and policies that ensure established policies and practices are functioning properly and equitably; and
- ▶ taking objective action to resolve matters that fall outside the established forums and procedures.

Fair, Confidential and Neutral Assistance

Confidentiality is the cornerstone of our practice—your identity, and the matters you bring to our attention, are completely protected. When you contact our office, you can expect to talk to someone who will listen attentively to your concerns.

The Office of the Ombudsman holds all communications with those seeking assistance in confidence and takes reasonable steps to safeguard confidentiality. The office will not voluntarily disclose to anyone outside the ombudsman's office any information the person provides in confidence or the person's identity—unless granted express permission to do so, there appears to be imminent risk of serious harm, where legal requirements necessitate action by the organization, in response to the judicial process, or in response to a request from the Securities and Exchange Commission (SEC).

If you have a concern that involves FINRA, we may suggest actions and policies that ensure the established avenues are functioning properly and equitably. We take objective action to resolve matters that fall outside the established forums and procedures.

As a neutral party, the ombudsman does not take sides on any issues brought to our attention, but considers the interests and concerns of all parties to a situation, with the objective of achieving fair outcomes. While the ombudsman may serve as a mediator when requested, the ombudsman does not arbitrate or adjudicate, and will resist testifying in any formal grievance process. Neutrality is the goal of the ombudsman, and carrying out that role demands fairness, objectivity, impartiality and even-handedness despite personal preferences.

continued



The ombudsman may serve in the role of an informal third party and conduct shuttle diplomacy to resolve a problem. The ombudsman may negotiate settlements in disputes and make recommendations for changes or the initiation of new policies, rules and administrative processes as appropriate. This is achieved by bringing issues to the attention of those with authority to address these concerns. Our primary objective is to be an advocate for fair processes and fair administration.

An Informal & Independent Alternative

The Office of the Ombudsman will assist in matters you would like to explore “off the record.” The office is not part of FINRA’s management structure and therefore does not make policy, make management decisions or conduct formal investigations.

When you contact our office, you can expect to talk to someone who will listen attentively to your concerns, assist you with clarifying your issues and/or concerns, and help you develop options.

The ombudsman functions independent of line management. It reports directly to the Audit Committee of the Board of Governors. It provides information on the development of trends resulting from the issues raised and immediately informs management of any matter that may potentially have a significant adverse affect on FINRA.

Contacting the office will not trigger a management review or investigation into the subject matter of the contact. There are other sources that exist within FINRA that serve that purpose. The office will assist you in identifying contact sources.

If you wish to relay a concern to management and do not want to be identified as the source, the ombudsman will assist in identifying ways to accomplish this.

Notice to the ombudsman will be deemed notice to FINRA in those instances where FINRA is required by law to take corrective or other action upon being put on notice of specific facts or allegations. In such instances where disclosure of confidential information or corporate action is required, the ombudsman will take reasonable steps to maintain confidentiality as to the identity of the provider of the information whenever possible.

Questions & Answers

Q. Who may contact the ombudsman?

A. Anyone with a complaint or concern regarding FINRA. This includes investors, securities industry professionals, FINRA employees, and any business or individual that interacts with FINRA.

Q. What types of problems does the ombudsman handle?

A. Any concerns or complaints about operations, enforcement, or other FINRA activities. If you're not sure that your problems fit within these categories, or if it is a matter for this office, call us to find out.

Q. If I complain to the ombudsman, who will find out about it?

A. Generally, your consultation with the ombudsman is absolutely confidential. However, there are limited circumstances where the ombudsman must divulge the information that is brought to this office. Those circumstances are discussed earlier in this brochure.

You may also choose to voice your complaint or concern anonymously.

Q. Does the ombudsman have authority to solve every problem?

A. No, that is not the purpose of this Office. FINRA already has many programs and procedures in place for solving problems, resolving disputes, handling complaints and addressing concerns. The ombudsman will help you identify options, make sure they are available to you, and help you to use them most effectively.

Q. What if my complaint is about one of the programs or procedures that is already handling my problem?

A. In that case, the ombudsman will consider steps necessary to ensure that the program and procedure(s) of the existing forums are operating properly and appropriately, and are equitably carried out by the staff. However, the ombudsman does not have the authority to overturn decisions made in these forums, but will make recommendations to management regarding any problem(s) found.

Contacting The Ombudsman

Visit www.finra.org/aboutfinra/ombudsman, where you can send a detailed message (anonymously, if preferred).

You can call the Office of the Ombudsman toll-free at (888) 700-0028, weekdays from 9 a.m. to 5 p.m., Eastern Time. If you call outside of normal business hours, you may leave a confidential voice mail message, and someone will return your call as soon as possible.

If you prefer, you may write to us. The address is:

**FINRA Ombudsman
9509 Key West Avenue
Rockville, MD 20850**

Standards of Practice

- ▶ The Ombudsman Office and the ombudsman (collectively the Office) provide a forum for firms and their associated persons, public investors, employees and any other business or individual who interacts with FINRA to voice their concerns of unfair practices or disparate treatment.
- ▶ The Office functions independently from other FINRA departments and FINRA management.
- ▶ As a designated neutral, the Office does not represent or act as an advocate for any person in a dispute with the organization, and does not take sides on any issues brought to its attention.
- ▶ The Office promotes fair processes and the fair administration of such processes, and considers the interests and concerns of all parties to a situation.
- ▶ The Office holds all communications with those seeking assistance in confidence and takes reasonable steps to safeguard confidentiality. The Office does not—without permission—disclose to anyone outside the Office any information the person provides in confidence or the person's identity, unless (a) there appears to be imminent risk of serious harm, (b) in response to binding legal or judicial process, or (c) in response to a request from the SEC. In addition, notice to the ombudsman will be deemed notice to FINRA in those instances where FINRA is required by law to take corrective or other action upon being put on notice of specific facts or allegations. In such instances where confidential information is required to be disclosed or corporate action is required, the ombudsman will take reasonable steps to maintain confidentiality as to the identity of the provider of the information, where possible.

- ▶ The Office exercises discretion whether to act upon a concern of an individual who contacts the Office. An ombudsman may also initiate action on a problem he or she identifies directly.
- ▶ The Office is an informal resource. Formal adjudication is conducted by other departments within the organization. The Office does not replace already existing FINRA processes or programs. Where established procedures currently exist regarding the application of rules, policies, procedures or interpretation, the Office will direct the complaint to the appropriate department and monitor the outcome, if necessary.
- ▶ The Office provides information to the Audit Committee and executive management, while preserving confidentiality and anonymity, on trends, issues and/or concerns resulting from complaints, and immediately reports on any matter that potentially may have a significant adverse impact on the organization or its employees.



Investor protection. Market integrity.

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