

Election Notice

Small Firm Advisory Board Election and Ballots

December 14, 2007

Suggested Routing

- Executive Representatives
- Senior Management

Executive Summary

The purpose of this *Election Notice* is to distribute to FINRA Small Firm members¹ ballots to elect the five regional members of the Small Firm Advisory Board (SFAB). The SFAB provides guidance to FINRA staff, particularly regarding the potential impact of proposed regulatory initiatives on FINRA's Small Firm members.

Firms are urged to vote in this election. For a ballot to be considered valid, it must be signed by the executive representative of a member firm eligible to vote in the election. Firms that are Small Firm members of FINRA as of the close of business on December 13, 2007, are eligible to vote in this election.

Ballots must be returned no later than **January 11, 2008**, and the newly elected SFAB members will take office in April 2008.

SFAB Composition

Beginning in 2008, the SFAB will consist of:

- ▶ five regional members elected by Small Firms in the five FINRA regions, one from each region; and
- ▶ five at-large members appointed by FINRA.

Additionally, the FINRA Board's Small Firm Governors² will serve as ex-officio members of the SFAB.

The five regional members up for election will represent the following geographic regions:

- ▶ **Midwest Region:** Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin (Districts 4 and 8)
- ▶ **New York Region:** New York (the counties of Nassau and Suffolk, and the five boroughs of New York City) (District 10)
- ▶ **North Region:** Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York (except for the counties of Nassau and Suffolk, and the five boroughs of New York City), Pennsylvania, Rhode Island, Vermont, Virginia and West Virginia (Districts 9 and 11)
- ▶ **South Region:** Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, the Canal Zone, Puerto Rico and the Virgin Islands (Districts 5, 6 and 7)
- ▶ **West Region:** Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming and the former U.S. Trust Territories (Districts 1, 2 and 3)

Any senior member of a Small Firm whose primary place of business is in the region in which his or her firm has its main office (as indicated in FINRA records) was eligible to have his or her name placed on the SFAB ballot for that region. Senior members of firms include owners, chief executive officers, presidents, chief compliance officers, chief operating officers or individuals of comparable status.

Terms of SFAB Members

The successful candidate will be the individual who receives the most votes in his or her region. All SFAB members eventually will serve three-year terms. However, in order to maintain continuity on the SFAB going forward, the end of the terms of the individuals elected during this election will be staggered—and not all of them will serve for three years. Three-year terms will be phased in over the next three election cycles, with all SFAB members elected beginning with the 2009 election serving full three-year terms.

The schedule below shows the terms for persons to be elected in the upcoming election.

	Serves until December 31, 2010	Serves until December 31, 2009	Serves until December 31, 2008
Midwest Region			x
New York Region	x		
North Region		x	
South Region			x
West Region		x	

The term of an SFAB member shall terminate immediately upon a determination by the SFAB, by a majority vote of the remaining members, that the member no longer satisfies the eligibility criteria. Additionally, the FINRA Board may remove from the SFAB a member who is unable or fails to discharge the member's duties.

Once an individual has completed a full three-year elected term on the SFAB, he or she is ineligible to run for reelection to the SFAB for another three years.

Attachment A lists the candidates certified by the Corporate Secretary of FINRA as satisfying requirements for each regional SFAB seat. Information about each candidate is available on FINRA's Web site at www.finra.org/sfab/candidateprofiles.

Voting Eligibility

FINRA Small Firms, as of the close of business on December 13, 2007, are eligible to vote for candidates running for the SFAB seat representing the region corresponding to the district to which they are assigned in the Central Registration Depository. The size of each firm and the location of each firm's main office will be verified on the day the ballots are mailed.

A ballot containing the candidates for your region is enclosed. Firms may vote for only one candidate listed on the ballot.

Voting Methods

Member firms are able to submit ballots by U.S. mail. The enclosed ballot contains detailed instructions on the submission procedures.

As mentioned above, it is important that all Small Firms vote.

Questions/Further Information

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

Barbara Z. Sweeney
Senior Vice President and
Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

(202) 728-8062

or

T. Grant Callery
Executive Vice President and
General Counsel
FINRA
1735 K Street, NW
Washington, DC 20006-1506

(202) 728-8285

Endnotes

- 1 A Small Firm is defined as a member that employs at least one and no more than 150 registered persons. See Article I (ww) of the FINRA By-Laws.
- 2 A Small Firm Governor is defined as a member of the Board elected by Small Firm members, provided, however, that in order to be eligible to serve, a Small Firm Governor must be registered with a member which is a Small Firm member and must be an Industry Governor. See Article I (xx) of the FINRA By-Laws.

Attachment A – SFAB Candidates

Following is the list of candidates certified by the Corporate Secretary of FINRA as satisfying requirements for each regional SFAB seat. Information about each candidate is available on FINRA's Web site at: www.finra.org/candidateprofiles.

Midwest Region Candidates		
George D. Bates	Principal – Compliance and Sales	Bates Securities, Inc.
Mari Buechner	President, Chief Executive Officer and Chief Compliance Officer	Coordinated Capital Securities, Inc.
Steve Cairney	Chief Compliance Officer	Nations Financial Group, Inc.
James R. Carlson, Sr.	Senior Vice President and Branch Manager	First MidAmerica Investment Corporation
Andrea R. Christensen	Chief Compliance Officer	Midwest Financial and Investment Services, Inc.
Heidi Donahe	Senior Vice President and Chief Compliance Officer	Octavus, LLC
Victor Elting, III	Executive Vice President	Podesta & Co.
Gregory W. Goelzer	Vice Chairman and Chief Executive Officer	Goelzer Investment Management
Edward Alan Horwitz	President	Horwitz & Associates, Inc.
Basil Joseph	Chief Compliance Officer and Chief Financial Officer	Van Clemens & Co., Inc.
Marc Jay Lane	Chief Executive Officer	Marc J. Lane & Company
John Moloney	President and Chief Executive Officer	Moloney Securities Co., Inc.
Thomas M. McDonald	Chief Executive Officer	Thomas McDonald Partners
Thomas E. Stern	Chief Financial Officer, Financial and Operations Principal and Director	optionsXpress, Inc.

New York Region Candidates

Jacob Alpert	Executive Vice President and Head of Underwriting, Trading & Sales	M. R. Beal & Company
Dr. Ying Cui	President, Chief Executive Officer and Chief Financial Officer	Univest Securities, Inc.
Paul Ehrenstein	Financial and Operations Principal	Zenith American Securities Corporation
Larry Kimmel	Managing Director and Director of Compliance	DEPFA First Albany Securities LLC
John Stevenson Miller	Chief Compliance Officer and Financial and Operations Principal	Hedge Fund Capital Partners
Richard Oh	Managing Director, Chief Operating Officer, and Chief Compliance Officer	Taglich Brothers, Inc.
Philip V. Oppenheimer	President, Chief Financial Officer and Chief Compliance Officer	Oppenheimer & Close, Inc.
David V. Shields	President and Chief Executive Officer	Shields & Company
David M. Sobel	Executive Vice President, Chief Compliance Officer and In-House Counsel	Abel/Noser Corp.
Howard Spindel	Financial and Operations Principal	A.J. Pace & Co., Inc.

North Region Candidates

Leonid Berline	Executive Vice President and Chief Compliance Officer	Winslow, Evans & Crocker
John Clardy	Sales Manager and Executive Vice President- Investments	Johnston, Lemon & Co., Inc.
John C. Crittenden, III	Chief Compliance Officer	FTI Capital Advisors, LLC
Michael J. Dell'Olio	President and Chief Compliance Officer	North Atlantic Securities, LLC
Eric M. Earnhardt	Director of Compliance/Chief Compliance Officer	Emerging Growth Equities
John I. Fitzgerald	Director – Legal & Compliance	Leerink Swann & Company
Jerry Gruenbaum	Chief Executive Officer and Chief Compliance Officer	Puritan Securities, Inc.
Michael Hogan	Chief Executive Officer and President	FOLIOfn, Investments, Inc.
Gregg A. Kidd	President	Pinnacle Investments, LLC
S. Bradley Mell	Chief Executive Officer	W. H. Mell Associates, Inc.
Michael Molloy	Head Trader - Munis	Ridgeway & Conger, Inc.
Richard Neubert	Senior Vice President, Branch Manager and Producing Manager	Network 1 Financial Securities, Inc.
Tommasina A. Olson	President and Chief Compliance Officer	Lifestest Financial, Inc.
Richard Petrone	Executive Vice President, Director of Capital Markets	Domestic Securities, Inc.
Gordon D. Smith	President	Highland Financial, Ltd.
Michael Stupay	Financial and Operations Principal	EBX LLC
Aimee A. Toth	Chief Compliance Officer and General Counsel	Allegheny Investments, Ltd.

South Region Candidates

Jed Bandes	President	Mutual Trust Company of America Securities
Mark Beloyan	President	Beloyan Investment Securities, Inc.
Robert M. Drake	President and Chief Operating Officer	USF Securities, L.P.
Bryan T. Emerson	Managing Director and Owner	Starlight Investments, LLC
Robert Keenan	Chief Executive Officer and Financial and Operations Principal	St. Bernard Financial Services, Inc.
Daniel R. Levene	President and Chief Compliance Officer	Pointe Capital, Inc.
Carolyn R. May	Chief Compliance Officer and Advisory Director	Simmons First Investment Group, Inc.
James R. Muse	Partner and Chief Compliance Officer	Emerald Ventures, LLC
Carlos F. Otalvaro	President and Chief Executive Officer	Wallstreet Electronica, Inc.
Charles F. O'Kelley	President, Chief Executive Officer and Chief Compliance Officer	Atlantic Coast Securities Corporation
Phillip H. Palmer	President, Chief Executive Officer and Owner	First Independent Financial Services, Inc.
Robert T. Podraza	Senior Vice President/Compliance	Shay Financial Services, Inc.
W. Bruce Robinson	Vice President	Maplewood Investment Advisors, Inc.
Clive Slovin	President and Chief Executive Officer	The Strategic Financial Alliance, Inc.

West Region Candidates

Suzanne L. Bond	Chief Compliance Officer and Vice President	Madison Avenue Securities, Inc.
Henry Wolfgang Carter	General Counsel and Chief Compliance Officer	Global Crown Capital, LLC
Robert C. Daum	Chief Compliance Officer, Financial and Operations Principal and Executive Representative	ABD Financial Services, Inc.
Donald G. Gloisten	Chief Executive Officer	GBS Financial Corp.
Herbert Kurlan	Chief Executive Officer and Chief Compliance Officer	VT Brokers, LLC
Martin R. Ledgerwood	Vice President-Operations	South Valley Wealth Management
Rodney Wayne Lueck	National Director of Business Development/Recruiting, Sales, Marketing and Field Operations	GIA Financial Group, L.L.C.
Timothy C. Phillips	Chief Executive Officer	Phillips & Company Securities
Paige W. Pierce	President and Chief Executive Officer	R.W. Smith & Associates, Inc.
Daniel E. Pisenti	Compliance Advisor	Whitehall-Parker Securities, Inc.
Arthur E. Raitano	Chief Financial Officer and Chief Compliance Officer	E.J. De La Rosa & Co., Inc.
Daniel W. Roberts	President, Chief Executive Officer and Compliance Principal	Roberts & Ryan Investments, Inc.