

Election Notice

Nominees for Vacant FINRA Board of Governors Large Firm Seats

Executive Summary

The purpose of this *Notice* is to announce the individuals nominated by the NYSE Group Committee¹ of the FINRA Board of Governors (FINRA Board) for election to the vacant Large Firm Governor seats on the FINRA Board. The nominees are Seth H. Waugh and James D. Weddle. Eligible individuals who were not nominated may petition to have their name included on the ballot by following the procedures below.

Pursuant to Article VII, Section 10 of FINRA's By-Laws, a person who has not been nominated for election to the FINRA Board 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. If, however, a candidate's name appears on a petition in support of a slate of more than one nominee, the slate must be endorsed by 10 percent of FINRA's voting members entitled to vote for such nominees' 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.

Only Large Firm member firms may endorse nominees for the vacant Large Firm Governor seats. No firm may endorse more than one such nominee. Persons 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 large firms by Monday, May 11, 2009.

March 27, 2009

Suggested Routing

- Executive Representatives
- Senior Management

The number of FINRA Large Firms as of close of business on Thursday, March 26, 2009, was 178. For petitions in support of the nomination of a single person, the requisite number of Large Firms required to meet the above referenced threshold is 6. For petitions in support of a slate of more than one individual, the applicable threshold is 18.

In the event of a contested election, the Secretary shall deliver notice of a special meeting of members to all eligible Large Firms.

Note: This Notice was distributed electronically to the Executive Representative of each FINRA member firm and it is posted on FINRA's Web site at www.finra.org/Notices/Election/032709. Executive representatives should circulate this Notice to their firms' branch managers.

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

- Marcia E. Asquith, Senior Vice President and Corporate Secretary, at (202) 728-8949; or
- T. Grant Callery, Executive Vice President and General Counsel, at (202) 728-8285.

Composition of the Board

Pursuant to Article XXII, Section 2 of the FINRA By-Laws, during the Transitional Period,² the FINRA Board shall consist of 23 members, including:

- the Chief Executive Officer of FINRA;
- the Chief Executive Officer of NYSE Regulation, Inc.;
- eleven Public Governors;
- one Floor Member Governor;
- one Independent Dealer/Insurance Affiliate Governor;
- one Investment Company Affiliate Governor;
- three Small Firm Governors;
- one Mid-Size Firm Governor; and
- three Large Firm Governors.

Of the 23 Board members, the three Small Firm Governors, one Mid-Size Firm Governor and three Large Firm Governors were elected as Governors at the first annual meeting of members following the Closing on October 26, 2007, and, subject to certain qualifications,³ will hold office until the first annual meeting of members following the Transitional Period, or until a successor is duly appointed and qualified, or until death, resignation, disqualification, or removal. Two Large Firm Governor seats are vacant as a result of the resignation of two of the three Large Firm Governors elected in October 2007.

Large Firm Governor Vacancies on the FINRA Board

Pursuant to Article XXII, Sec. 3, in the event of any vacancy among the Large Firm Governors during the Transitional Period, where a position is vacant for more than 12 months, nominations to fill the vacancy are made by the NYSE Group Committee of the Board and voted upon by the FINRA member firms entitled to vote for that category of Governor.

As noted above, the NYSE Group Committee's nominees are Seth H. Waugh and James D. Weddle. A person who has not been so nominated to fill these Large Firm Governor vacancies on the FINRA Board may be included on the ballot for the election if he or she obtains the requisite number of petitions in support of his or her nomination.

To be eligible to serve, Large Firm Governors must be registered with a Large Firm. A Large Firm is defined as a firm that employs more than 500 registered persons.⁴ 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. Individuals seeking nomination for the Large Firm seat also have an obligation to satisfy the firm-size classification on the date the petition is circulated, the date the petition is certified by the Corporate Secretary and date of the annual meeting. Individuals who fail to meet this requirement will be disqualified from election.

Term of Office

The elected individuals will be elected to complete the terms vacated by Governors Thomas Russo and Robert McCann, and serve until the first annual meeting of members following the Transitional Period, or until his or her successor is duly elected or qualified, or until death, resignation, disqualification or removal.⁵

The Transitional Period will conclude on July 30, 2010.

Voting Eligibility

Member firms are eligible to vote for the industry nominees who are running for seats that are in the same size category as their own firm. Therefore, only Large Firm members are eligible to vote in this election.

Endnotes

- 1 The NYSE Group Committee comprises the five Public Governors appointed by the NYSE Group, Inc. Board of Directors (NYSE Board), the Large Firm Governors nominated by the NYSE Board and the Floor Broker representative appointed by the NYSE Board.
- 2 Pursuant to Article I (zz) of the FINRA By-Laws, the Transitional Period means the period commencing on the date of the Closing and ending on the third anniversary of the date of the Closing; however, the initial member-elected governors shall hold office, subject to certain qualifications, until the first annual meeting of members following the Transitional Period. *See* Article XXII, Section 3 of the FINRA By-Laws.
- 3 *See* Article XXII, Section 3 of the FINRA By-Laws.
- 4 *See* Article I (y) of the FINRA By-Laws.
- 5 *See* Article XXII, Section 3 of the FINRA By-Laws.

Attachment A

Profile of FINRA Large Firm Governor Nominees

The NYSE Group Committee of the FINRA Board of Governors has nominated the following individuals to fill the Large Firm Governor vacancies on the FINRA Board.

Seth H. Waugh

Seth H. Waugh joined Deutsche Bank in April 2000 as Regional Head of Global Markets and Equities and Vice Chairman of the Americas Executive Committee. Mr. Waugh was appointed CEO of Corporate and Investment Banking in the Americas in 2001 and the following year was named CEO of Deutsche Bank Americas and Chairman of the Americas Executive Committee, a position he has held since May 2002. He was appointed Member of the Group Executive Committee effective April 1, 2009.

Mr. Waugh is Chairman of the Deutsche Bank Securities Inc. (DBSI) Board of Directors and serves as Chairman of the Board, CEO and President of several Deutsche Bank companies, including Deutsche Bank Trust Company and Deutsche Bank Trust Corporation Americas.

Before joining Deutsche Bank, Mr. Waugh was CEO of Quantitative Financial Strategies (QFS) in Greenwich, CT. Prior to his role at QFS, he spent 11 years at Merrill Lynch in a variety of capacities in the Fixed Income Division, most recently as Senior Vice President and Co-Head of Global Debt Markets. Earlier in his career, he managed the Corporate Bond and International Trading desks at Salomon Brothers.

Mr. Waugh's industry positions have included board seats with the Securities Industry and Financial Markets Association and The Clearing House. In addition, he is the Deutsche Bank Americas representative to the Financial Services Forum, an organization composed of 20 CEOs from the largest U.S. financial institutions. He is also a member of the Executive Committee of the Partnership for New York City.

Mr. Waugh is the Chairman of the Board of Directors for Deutsche Bank Americas Foundation, which administers the philanthropic activities of Deutsche Bank within the United States, Canada and Latin America. His philanthropic endeavors also include positions on the boards of the YMCA of Greater New York, the Multiple Sclerosis Society of Greater New York, the Partnership for New York City, St. Vincent's Services of Brooklyn, the Local Initiatives Support Corporation, the Lawrenceville School in Lawrenceville, New Jersey and he is a member of the Winthrop University Hospital Board of Regents in Syosset, New York.

A graduate of Amherst College, Mr. Waugh earned dual Bachelor of Arts degrees in Economics and English.

James D. Weddle

James D. Weddle, managing partner of Edward Jones, was earning his MBA at Washington University when he was hired in 1976 as a part-time intern in the firm's Research department. After completing his MBA, Mr. Weddle left Research to become a financial advisor in Connersville, Indiana. He opened the firm's 200th branch.

In 1984, Mr. Weddle was named a principal in the firm and was invited back to the St. Louis headquarters where he assumed a series of responsibilities, initially in new Financial Advisor Training, then for one of the firm's largest areas, Mutual Fund Sales and Marketing. Mr. Weddle then led the implementation of a new sales management structure for the firm, taking responsibility for developing the firm's growth across the entire East Coast and for coordinating the efforts for all of the U.S. While he led the East Coast, the firm expanded from 250 offices to over 1,000.

Mr. Weddle assumed responsibility for managing all of the firm's branch offices in late 1997. His responsibilities included not only the facilities themselves, but also financial advisors' compensation and financial advisor leadership development.

Mr. Weddle has been a member of the firm's Management Committee since 1987 and in January 2006, he succeeded Douglas E. Hill as Edward Jones' fifth managing partner.

A native of Illinois and a graduate of DePauw University in Greencastle, Indiana, Mr. Weddle also graduated from the University of Pennsylvania Wharton School's Securities Industry Institute in 1988. He served as a trustee of the institute from 1989 until 1993, and served on the Continuing Education Committee of the Securities Industry Association from 1994 through 1996.

Mr. Weddle is on the Executive Committee for Webster University Board of Trustees; on the Executive Committee of The United Way of Greater St. Louis; a board member of the Securities Industry & Financial Markets Association (SIFMA); a board member of the St. Louis Regional Chamber & Growth Association (RCGA); a member of the Board of Commissioners for the St. Louis Science Center; a member of Washington University's Olin School of Business National Council; and a member of the University of Missouri–St. Louis Chancellor's Council.