

Election Notice

Upcoming Election to Fill FINRA District Committee Vacancies

Nomination Deadline: October 4, 2013

Executive Summary

This *Notice* notifies member firms of the upcoming nomination and election process to fill forthcoming vacancies on FINRA District Committees.

All eligible candidates will be placed on the ballot if they submit a candidate nomination and profile form to the FINRA Corporate Secretary by Friday, October 4, 2013. The candidate profile form is available online at www.finra.org/Notices/DistrictElection/090413 and as an attachment to this *Notice*.

The seats open for election are included in Attachment A. A list of the current District Committee members is available at www.finra.org/districtcommittees.

Note: This *Notice* was distributed electronically to the executive representative of each FINRA member firm and is posted on FINRA's website. Executive representatives should circulate this *Notice* to their firm's branch managers.

Questions concerning this *Election Notice* may be directed to

- ▶ Marcia Asquith, Senior Vice President and Corporate Secretary, at (202) 728-8949 or via email to CorporateSecretary@finra.org.
- ▶ Jennifer Piorko Mitchell, Assistant Corporate Secretary, at (202) 728-8949 or via email to Jennifer.Mitchell@finra.org.
- ▶ Chip Jones, Senior Vice President, Member Relations, at (240) 386-4797 or via email to chip.jones@finra.org.

September 4, 2013

Suggested Routing

- ▶ Branch Managers
- ▶ Executive Representatives
- ▶ Senior Management



Background

The FINRA District Committees serve an important role in the self-regulatory process by, among other things:

- ▶ serving on disciplinary panels in accordance with FINRA rules;
- ▶ alerting FINRA to industry trends that could present regulatory concerns; and
- ▶ consulting with FINRA on proposed policies and rule changes.

Committee members must have the experience, ability and commitment to fulfill these responsibilities, including:

- ▶ understanding the issues facing the securities industry and possessing the ability to apply knowledge and expertise to these issues to develop solutions;
- ▶ educating firms in their district on the responsibilities of FINRA;
- ▶ attending regularly and participating in a collegial manner in District Committee meetings; and
- ▶ remaining objective and unbiased, regardless of the interest of their firm, in the performance of District Committee matters.

Committee members also must adhere to the following prohibitions and restrictions:

- ▶ being sensitive to conflicts, such as those that can arise from firm-related work and service on industry committees, or as an expert witness, hearing panelist or arbitrator, and refraining from participating in a particular matter when a conflict exists;
- ▶ refraining from using membership on the District Committee for commercial purposes, for qualifying as an expert or suggesting special access to FINRA; and
- ▶ keeping sensitive, non-public or proprietary information confidential.

District Committees from districts 1, 2, 3, 4, 5, 6, 7, 8, 9 and 11 comprise three small, one mid-size and three large firm representatives that are elected by firms of the same size. The District Committee from District 10 comprises six small, two mid-size and six large firm representatives that are elected by member firms of the same size.¹

Terms & Vacancies

The full term for a District Committee member is three years. There is no limit on the number of terms that a member of a District Committee may serve, except that a District Committee member may not serve two full terms consecutively. Terms of District Committee members will terminate if they do not remain eligible for the seat for which they were elected.

Terms of all of the individuals elected during this election will begin on January 1, 2014.

Full Term Vacancies

In this election, the District Committees for Districts 1, 2, 3, 4, 5, 6, 7, 8, 9 and 11 each have two full-term vacancies to fill: one representing a small firm seat and one representing a large firm seat. District 10 has four full-term vacancies to fill: two representing small firm seats and two representing large firm seats.

Firm size categories are:

- ▶ **Small firm**—a firm that employs at least one and no more than 150 registered persons.²
- ▶ **Mid-size firm**—a firm that employs at least 151 and no more than 499 registered persons;³ and
- ▶ **Large firm**—a firm that employs 500 or more registered persons.⁴

The individuals elected to fill the above vacancies will be elected to three-year terms expiring December 31, 2016.

Partial Term Vacancy

In addition to the vacancies listed above, Districts 1, 2 and 10 each have an additional vacancy to fill. District 1 has a small firm vacancy and District 2 has a mid-size firm vacancy to fill. The individuals elected to fill these vacancies will serve a term expiring December 31, 2014. District 10 has a large firm vacancy to fill. The individual elected to fill this vacancy will serve a term expiring December 31, 2015.

Nomination Process and Eligibility

All candidates who submit their names and meet the qualifications set forth in Article VIII, Section 8.2 of the FINRA Regulation By-Laws (see below) will be included on their district's ballot. FINRA encourages current and former committee members to assist FINRA by soliciting candidates for committee service.

Individuals who seek a seat on the District Committee within their district must complete a candidate nomination and profile form and submit it to FINRA via email to CorporateSecretary@finra.org by **October 4, 2013**.

The candidate nomination and profile form is available online at www.finra.org/Notices/DistrictElection/090413 and as an attachment to this *Notice*.

Article VIII, Section 8.2 of the FINRA Regulation By-Laws requires for eligibility that District Committee members:

1. be associated with a FINRA member firm eligible to vote in the district for District Committee elections and registered in the capacity of a branch manager or principal or denoted as a corporate officer of the FINRA member;
2. work primarily from such FINRA member firm's principal office or a branch office that is located within the district where the member would serve on a District Committee; and
3. represent and be directly elected by the applicable classification of FINRA members based on the size of the firm with which he or she is associated: small, mid-size or large.

The names of all qualified individuals will be included on the ballot for the appropriate seat. Ballots will be mailed on or around October 16, 2013.

Additional information on District Committee election procedures may be found in [Article VIII of FINRA Regulation's By-Laws](#).

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 the FINRA Contact System. This will ensure that important mailings, such as election information, are properly directed. A firm's failure to keep this information accurate may jeopardize the firm's ability to participate in elections.

To update an executive representative name, mailing address and email address, firms may access the FINRA Contact System, via the Firm Gateway, at <https://firms.finra.org/fcs>. For assistance updating FCS, contact FINRA's Call Center at (301) 590-6500.

Endnotes

1. On May 4, 2011, the SEC approved amendments to FINRA Regulation's By-Laws to, among other things, adjust the size and composition of District Committees, over a three-year transition period, to align more closely with the industry representation on the FINRA Board of Governors. The By-Law change also replaced the District Nominating Committees with a process of direct nomination and election based on firm size. See Securities Exchange Act Release No. 64363 (April 28, 2011). The By-Law change adjusts the composition of the District Committees over a three-year transition period to align more closely with the industry representation by firm size on the Board of Governors. All District Committees except District 10 (New York) are adjusted from nine to seven members and District 10 is adjusted from 12 to 14 members.
2. See Article I (jj) of the FINRA Regulation By-Laws.
3. See Article I (aa) of the FINRA Regulation By-Laws.
4. See Article I (y) of the FINRA Regulation By-Laws.
5. Under NASD Rule 1160, firms must 1) update their contact information promptly, but in any event not later than 30 days following any change in such information, as well as 2) 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 agreed to by FINRA staff. See NASD Rule 1160 and [Regulatory Notice 07-42](#) (September 2007).

Attachment A—District Committee Positions to Be Elected

District 1

Northern California (the counties of Monterey, San Benito, Fresno and Inyo, and the remainder of the state north or west of such counties), northern Nevada (the counties of Esmeralda and Nye), and the remainder of the state north or west of such counties) and Hawaii

District Committee for District 1

- ▶ Committee members to be elected to terms expiring December 31, 2016:
One small firm representative and one large firm representative.
- ▶ Committee member to be elected to serve a term expiring December 31, 2014:
One small firm representative.

District 2

Southern California (that part of the state south or east of the counties of Monterey, San Benito, Fresno and Inyo), southern Nevada (that part of the state south or east of the counties of Esmeralda and Nye) and the former U.S. Trust Territories

District Committee for District 2

- ▶ Committee members to be elected to terms expiring December 31, 2016:
One small firm representative and one large firm representative.
- ▶ Committee member to be elected to serve a term expiring December 31, 2014:
One mid-size firm representative.

District 3

Alaska, Arizona, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington and Wyoming

District Committee for District 3

- ▶ Committee members to be elected to terms expiring December 31, 2016:
One small firm representative and one large firm representative.

District 4

Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota

District Committee for District 4

- ▶ Committee members to be elected to terms expiring December 31, 2016:
One small firm representative and one large firm representative.

District 5

Alabama, Arkansas, Louisiana, Mississippi, Oklahoma and Tennessee

District Committee for District 5

- ▶ Committee members to be elected to terms expiring December 31, 2016:
One small firm representative and one large firm representative.

District 6

Texas

District Committee for District 6

- ▶ Committee members to be elected to terms expiring December 31, 2016:
One small firm representative and one large firm representative.

District 7

Florida, Georgia, North Carolina, Puerto Rico, Panama, South Carolina and the Virgin Islands

District Committee for District 7

- ▶ Committee members to be elected to terms expiring December 31, 2016:
One small firm representative and one large firm representative.

District 8

Illinois, Indiana, Kentucky, Michigan, Ohio and Wisconsin

District Committee for District 8

- ▶ Committee members to be elected to terms expiring December 31, 2016:
One small firm representative and one large firm representative.

District 9

Delaware, the District of Columbia, Maryland, New Jersey, New York (except for the counties of Nassau and Suffolk, and the five boroughs of New York City), Pennsylvania, Virginia and West Virginia

District Committee for District 9

- ▶ Committee members to be elected to terms expiring December 31, 2016:
One small firm representative and one large firm representative.

District 10

New York (the counties of Nassau and Suffolk, and the five boroughs of New York City)

District Committee for District 10

- ▶ Committee members to be elected to terms expiring December 31, 2016:
Two small firm representatives and two large firm representatives.
- ▶ Committee member to be elected to term expiring December 31, 2015:
One large firm representative.

District 11

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont

District Committee for District 11

- ▶ Committee members to be elected to terms expiring December 31, 2015:
One small firm representative and one large firm representative.

Attachment B

Candidate Profile Form — District Committee Election

Please complete all sections and email this document to CorporateSecretary@finra.org. An electronic version of this form is also available at www.finra.org/Notices/DistrictElection/090413

Name: _____ Date: _____

(As you would like it to appear on official correspondence)

Current Registration

Title/Primary Responsibility: _____

Firm CRD#: _____ Individual CRD#: _____

FINRA District No.: _____ Number of Registered Reps. at Firm: _____

Address

Street Address: _____ Suite/Floor: _____

City: _____ State: _____

Email: _____

Phone: _____

District Committee Seat Sought

- Small Firm (150 or fewer registered representatives)
- Mid-Size Firm (151 to 499 registered representatives)
- Large Firm (500 or more registered representatives)

Eligibility (Check all that apply)

- Associated with FINRA member firm eligible to vote in the district for District Committee elections
- Work primarily from FINRA member firm's principal or branch office in the district of the District Committee sought
- Position

Registered as

- branch manager
- principal

OR

- Denoted as a corporate officer of the FINRA member firm.

