

Election Notice

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

Petitions for Candidacy Due: October 4, 2019

Summary

The purpose of this *Election Notice* is to notify members of an upcoming election to fill one large firm and one mid-size firm seat on the National Adjudicatory Council (NAC), and to announce the FINRA Nominating & Governance Committee (Nominating Committee) nominees for these vacancies. Eligible individuals not nominated by the Nominating Committee who obtain the requisite number of valid petitions 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*.

A formal notice of the NAC Election and ballot listing all certified candidates will be mailed to the executive representatives of all eligible large and mid-size FINRA member firms on or about Monday, October 21, 2019.

Note: This Notice was distributed electronically to the executive representative of each FINRA member firm and is posted on FINRA's website at www.finra.org/notices/election/NACElection/082019.

Questions regarding this *Election Notice* may be directed to Jennifer Piorko Mitchell, Vice President and Deputy Corporate Secretary, at CorporateSecretary@finra.org or at (202) 728-8949.

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.

August 20, 2019

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

The NAC comprises 15 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 NAC meets four times a year—primarily in Washington, DC—several weeks prior to each FINRA Board of Governors meeting. NAC members are expected to attend meetings in-person, and will be requested to serve on appeal panels, which involves reading the record of the case and attending oral argument, and participating in several conference calls to handle other NAC matters. Potential candidates should ensure that their other commitments will allow for their in-person attendance at all NAC meetings.

The elected individuals will serve on the NAC for four years; their terms begin in January 2020 and conclude in December 2023.

FINRA Nominating Committee Nominees

The Nominating Committee has nominated the following individuals as its nominees for the open NAC seats:

- ▶ Large Firm Member Candidate: Joan Schwartz – BNY Mellon/Pershing
- ▶ Mid-Size Member Candidate: W. Dennis Ferguson – Capital Investment Group, Inc.

Profiles for each of the Nominating Committee nominees are attached.

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 seat or mid-size firm seat on the NAC if:

- a. within 45 days of the date of this Election Notice, such person presents to the Corporate Secretary of FINRA petitions in support of his or her nomination duly executed by 3 percent of the members entitled to vote for such nominee's election. If, however, an individual's name appears on a petition in support of more than one nominee, the petition must be endorsed by 10 percent of FINRA member firms entitled to vote for such nominees' election; and
- b. the Corporate 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 election, and the person satisfies the large firm or mid-size firm size classification of the NAC seat to be filled, based on such information provided by the person as is reasonably necessary to make the certification.

As of the close of business on Monday, August 19, 2019, the number of FINRA large firms was 172, and the number of mid-size firms was 192.

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

Individuals interested in petitioning to become candidates must complete a candidate profile form (Attachment A) and submit it to FINRA's Corporate Secretary. Upon receipt of a candidate profile form, the Corporate Secretary will forward to the interested individual a list of all firms eligible to endorse a candidate.

Individuals submitting petitions must provide information sufficient for the Corporate Secretary to determine that the petitions were duly executed by the executive representatives of the requisite number of firms. In addition, to assist in the process of verifying petitions, FINRA requests that all submitted petitions be dated by their signatory. Petitions must be submitted by Friday, October 4, 2019.

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.¹

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>.

Endnote

1. 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).

Nominating Committee Nominee for Large Firm NAC Member

JOAN SCHWARTZ

Joan Schwartz is the Chief Legal Officer, Managing Director and a member of the Executive Committee for BNY Mellon/Pershing. Ms. Schwartz develops and leads Pershing's legal strategy. She manages a global team of lawyers responsible for all legal issues and regulatory requirements for the firm's broad array of products and services. She is also chief advisor to Pershing's Executive Committee. As an advocate for Pershing clients and the financial industry, Ms. Schwartz works with regulatory bodies to help assess the implications of proposed regulations. She is a frequent speaker at industry events and regularly meets with clients to advise on the impact of changes and how to manage risk. She and her team work with business partners throughout the firm to ensure there are protocols in place for risk management, including the protection of client data and client assets, anti-money laundering and all areas of corporate governance.

Ms. Schwartz began her career as an attorney in the financial services industry with Prudential Securities Inc., and was with Wachovia Securities LLC and First Clearing LLC before joining Pershing in 2008. She is a member of SIFMA's Compliance and Legal Division and past chair of SIFMA's Clearing Firm Committee. She earned a Bachelor of Arts degree from Binghamton University and a Juris Doctorate degree from Brooklyn Law School.

Nominating Committee Nominee for Mid-Size Firm NAC Member

W. DENNIS FERGUSON

W. Dennis Ferguson is currently a general securities principal and general securities representative registered through Capital Investment Group, Inc. He possesses over 40 years of experience in the securities industry, including retail sales, operations/clearing, branch office supervision and management, regional sales management and broker-dealer enterprise governance. Mr. Ferguson has an in-depth knowledge of securities clearance and trade processing, and extensive experience with regulatory oversight through years of industry service. He has served on the FINRA Board, chaired the Regulatory Policy Committee, served on and chaired the NAC, and served on numerous other FINRA and NASD committees, including currently on the Financial Responsibility and Uniform Practice Code Committees.

From 2001 to 2014, Mr. Ferguson was President and Vice Chairman of Sterne Agee Clearing, Inc. From 1999 to 2001, he was Executive Vice President and Member of the Executive Board of Fiserv Correspondent Services, Inc. From 1983 to 1999, he served as Executive Vice President, COO, and as member of the Board for JW Genesis Financial Corp., Inc. Mr. Ferguson started his career with Dean Witter Reynolds. He is a graduate of Florida Southern College.

Attachment A

Candidate Profile Form—National Adjudicatory Council Election for a Large Firm and Mid-Size Firm NAC Member

Please complete all sections and email this document to CorporateSecretary@finra.org. An electronic version of this form is also available at <http://www.finra.org/notices/election/NACElection/082019>.

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. The biography should contain only factual information, such as employment experience, service on other industry-related boards and committees, education credentials, etc. (The biography should be no more than 500 words.)