



2022 Annual Conference

May 16 –18 | Washington, DC | Hybrid Event

Navigating the Clearing Relationship

Monday, May 16, 2022

3:00 p.m. – 4:00 p.m.

This session is designed to assist firms in making the most of the relationship with their clearing firm. Panelists discuss types of data and services clearing firms offer, and practices for integrating these tools into introducing firms' compliance processes.

Moderator: Michael MacPherson
Senior Director, Risk Monitoring Program
FINRA Member Supervision

Panelists: Rajeev Khurana
Chief Legal Officer
Apex Clearing Corporation

John Martino
Senior Director, Diversified, Carry & Clearing Firm Examinations
FINRA Member Supervision

Navigating the Clearing Relationship Panelists Bios:

Moderator:



Michael MacPherson is Examination Director in FINRA Member Supervision and is positioned in the Diversified/Carry-Clearing Firm Group. Mr. MacPherson serves on several workstreams, including Examination Findings/Themes and Quality Assurance Enhancements. Prior to his employment at FINRA, Mr. MacPherson served as a Director in the Regulatory Reporting at National Financial Services, and as a Senior Vice President in the Regulatory Reporting department at Citigroup. Mr. MacPherson holds a bachelor's degree in Finance from St. John's University and maintains a Series 27 license.

Panelists:



Rajeev Khurana is Chief Legal Officer and Secretary of Apex Fintech Solutions and its subsidiary Apex Clearing Corporation where in addition to leading various corporate governance and second-line functions, he leads the legal team responsible for drafting and negotiating clearing agreements. Prior to joining Apex, Mr. Khurana led the Corporate, Securities and Finance group in Discover Financial Services' legal organization. Additionally, Mr. Khurana supported Discover's board of directors and oversaw the day-to-day operations of the corporate secretary's office. Mr. Khurana began his career as a transactional lawyer at Mayer Brown LLP in Chicago focused on securities, lending and structured finance transactions. Mr. Khurana received his J.D. from IIT-Chicago Kent College of Law in 2008 with high honors where he was an executive editor of the *Chicago-Kent Law Review* and a member of the Order of the Coif. Mr. Khurana received a bachelor of the arts degree from Case Western Reserve University where he majored in economics and political science.



John Martino is Senior Director of Examinations for FINRA member firms assigned to the Diversified and Clearing and Carrying firm groupings. In this role, he has responsibility for the Examination teams assigned to these firms, which includes the execution of financial, operational, and business conduct risks. He and his team coordinate closely with Risk Monitoring on the development of examination strategy. He has also served on several internal FINRA committees responsible for redesigning the organization's Examination program, including the infrastructure used to facilitate those exams. Mr. Martino previously held responsibilities as both a Surveillance and Examination Director in the Risk Oversight and Operational Regulation group of Member Supervision, where he oversaw the financial and operational risk assessment and exam execution of some of FINRA's largest, most systemically important member firms. Mr. Martino has been with the organization since its inception in 2007. Prior to joining FINRA, he spent 4 years at the New York Stock Exchange as a Financial Operations examiner. Mr. Martino holds a BBA in Finance from Hofstra University.

Navigating the Clearing Relationship

Panelists

○ Moderator

- Michael MacPherson, Senior Director, Risk Monitoring Program, FINRA Member Supervision

○ Panelists

- Rajeev Khurana, Chief Legal Officer, Apex Clearing Corporation
- John Martino, Senior Director, Diversified, Carry & Clearing Firm Examinations, FINRA Member Supervision



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Resources:

- FINRA Rule 4311. Carrying Agreements
www.finra.org/rules-guidance/rulebooks/finra-rules/4311
- FINRA *Notice to Members 02-57, Use of Negative Response Letters for the Bulk Transfer of Customer Accounts* (September 2002)
www.finra.org/rules-guidance/notices/02-57
- SEC Letter, Broker-Dealers Borrowing Fully Paid and Excess Margin Securities from Customers (October 22, 2020)
www.sec.gov/divisions/marketreg/mr-noaction/2020/finra-fpl-20201022-15c3-3.pdf