

Election Notice

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

Petitions for Candidacy Due: October 6, 2022

Summary

The purpose of this *Election Notice* is to notify members of an upcoming election to fill one small firm seat on the National Adjudicatory Council (NAC). Eligible individuals who obtain the requisite number of valid petitions may be included as candidates on the ballot by following the petition procedures 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 small firm FINRA members on or about Monday, October 24, 2022.

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/082222.

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.

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.

August 22, 2022

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

The NAC meets four times a year several weeks prior to each FINRA Board of Governors meeting. NAC members are expected to attend meetings in-person or virtually, and they will be requested to serve on appeal panels, which involves reading the record of the case and attending oral argument, and to participate in several conference calls to handle other NAC matters. Potential candidates should ensure that their other commitments will allow for their full participation during all NAC meetings.

The small firm seat to be filled in this election is for a four-year term beginning in January 2023 and concluding in December 2026.

Petition Process for Candidates

The FINRA Nominating & Governance Committee determined it would not nominate a candidate for election for the small firm seat. Instead, any eligible individuals who obtain the requisite number of petitions will be included on the ballot.

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, mid-size or small 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 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 Friday, August 19, 2022, the number of FINRA small firms was 3,083, so the number of petitions required to become a candidate is 93.

Firms may only endorse petitioners for open seats that correspond to the firm's own size classification. However, no firm may endorse more than one such candidate per vacancy. If a firm does sign more than one petition for a specific vacancy, the later-signed petition will supersede any previously signed petition.

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 Thursday, October 6, 2022.

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://gateway.finra.org/app/contacts>.

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).

Attachment A

Candidate Profile Form — National Adjudicatory Council Election for a Small 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 www.finra.org/notices/election/NACElection/082222.

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.)