

Election Notice

Notice of FINRA District Committee Elections and Ballots

Ballots Due: November 20, 2017

Executive Summary

The purpose of this *Election Notice* is to inform firms of the upcoming elections to: (1) fill vacancies on the FINRA District Committees, and (2) distribute ballots to the firms eligible to vote in this election. Firms that are members of FINRA as of the close of business on Thursday, October 19, 2017, are eligible to vote for the seat corresponding to their district and firm size.

Firms are urged to vote in this election using one of the methods described in this *Notice*. For a ballot to be considered valid, the executive representative of the firm eligible to vote in the election must sign it. Ballots are due by Monday, November 20, 2017.

The candidates running for election are listed in Attachment A to this *Notice*. Information about each candidate is available at www.finra.org/district/candidateprofiles.

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.

October 20, 2017

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

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

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

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.

Candidate Nomination Process and Eligibility

All candidates who submitted their names and met the qualifications set forth in Article VIII, Section 8.2 of the FINRA Regulation By-Laws were included on their district's ballot.

Terms of District Committee Members and Vacancies

The full term for District Committee members 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.

Full-Term Vacancies

In this election, the District Committees for Districts 1, 2, 3, 4, 5, 6, 7, 8, 9 and 11 each have three full-term vacancies to fill: one representing a small firm seat, one representing a mid-size firm seat and one representing a large firm seat.¹ The District 10 Committee has five full-term vacancies to fill: two representing small firm seats, one representing a mid-size firm seat 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 between 151 and 499 registered persons;³ and
- ▶ **Large firm**—a firm that employs 500 or more registered persons.⁴

The individuals elected or appointed to fill the above vacancies will serve three-year terms beginning on January 1, 2018, and expiring December 31, 2020.

Partial-Term Vacancies

In addition to the full-term vacancies listed above, there are three partial-term vacancies to replace individuals who resigned prior to the conclusion of his or her term: one small firm representative for District 1, one large firm representative for District 2 and one large firm representative for District 10. The individuals elected to fill these partial-term vacancies will serve until December 31, 2018.

Candidates

Only one eligible individual submitted his or her name for consideration for the following seats:

- ▶ District 2 Large Firm Representative
- ▶ District 3 Small Firm Representative
- ▶ District 3 Large Firm Representative
- ▶ District 4 Small Firm Representative
- ▶ District 4 Large Firm Representative
- ▶ District 5 Small Firm Representative
- ▶ District 6 Mid-Size Firm Representative
- ▶ District 8 Small Firm Representative
- ▶ District 9 Large Firm Representative
- ▶ District 10 Small Firm Representative⁵
- ▶ District 10 Large Firm Representative⁶
- ▶ District 11 Large Firm Representative

Therefore, because the candidates for the above-listed seats are running unopposed, FINRA will not distribute ballots for these seats and the candidates will take office in January 2018.

FINRA will distribute ballots for the following seats for which more than one candidate qualified to be included on the ballot:

- ▶ District 1 Small Firm Representative
- ▶ District 7 Large Firm Representative
- ▶ District 9 Small Firm Representative
- ▶ District 11 Mid-Size Firm Representative

Additionally, no candidates self-nominated for the seats listed below. Therefore, in accordance with the by-laws, FINRA will not distribute ballots for these positions and individuals will be appointed to fill the following seats:⁷

- ▶ District 1 Mid-Size Firm Representative
- ▶ District 1 Large Firm Representative
- ▶ District 2 Small Firm Representative
- ▶ District 2 Mid-Size Firm Representative

- ▶ District 3 Mid-Size Firm Representative
- ▶ District 4 Mid-Size Firm Representative
- ▶ District 5 Mid-Size Firm Representative
- ▶ District 5 Large Firm Representative
- ▶ District 6 Small Firm Representative
- ▶ District 6 Large Firm Representative
- ▶ District 7 Small Firm Representative
- ▶ District 7 Mid-Size Firm Representative
- ▶ District 8 Mid-Size Firm Representative
- ▶ District 8 Large Firm Representative
- ▶ District 9 Mid-Size Firm Representative
- ▶ District 10 Mid-Size Firm Representative
- ▶ District 11 Small Firm Representative

FINRA will announce these committee members once the appointments have been made.

Voting Eligibility

Firms that are members of FINRA as of the close of business on Thursday, October 19, 2017, are eligible to vote for candidates running for the seat corresponding to their firm size in the district in which it has its principal office and in districts where it has one or more registered branch offices as indicated in the Central Registration Depository®. For example, a firm headquartered in Atlanta with one branch office in New Jersey and nine branch offices in Boston would have one vote in District 7, one vote in District 9 and one vote in District 11.

Ballots and a copy of this *Notice* have been mailed to the executive representatives of those firms eligible to vote in this election. Detailed voting instructions are included on the ballots.

Voting Methods

Firms can vote by telephone, by the Internet or by U.S. mail. Ballots sent to eligible firms contains detailed instructions on the submission procedures. **Ballots are due on Monday, November 20, 2017.**

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.⁸

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 to align more closely with the industry representation on the FINRA Board of Governors and replace 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. Because there are only two candidates for the two Small Firm Representative vacancies for the District 10 Committee, these candidates will be appointed to the vacant seats.
6. As previously mentioned, there are two Large Firm Representative full-term vacancies on the District 10 Committee. One will be filled by the candidate who submitted his or her name and the other vacancy will be filled by appointment.
7. See Article VIII, Sec. 8.8 of the FINRA Regulation By-Laws.
8. 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—Candidates for District Committee Seats

Information about each candidate is available at www.finra.org/district/candidateprofiles.

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*

Small Firm Representative Candidates

- Chris Charles, President, CEO/CCO, Wulff, Hansen & Co.
- Alan Carlisle, Chief Compliance Officer, SoFi Securities, LLC

Mid-Size Firm Representative Candidates

- None.

Large Firm Representative Candidates

- None.

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*

Small Firm Representative Candidate

- None.

Mid-Size Firm Representative Candidates

- None.

Large Firm Representative Candidates

- Suzann LoCoco, Vice President, Compliance, CUSO Financial Services, L.P.

District 3: *Alaska, Arizona, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington and Wyoming*

Small Firm Representative Candidates

- Joanne M. Salisbury, Senior Vice President, Chief Compliance Officer, E. K. Riley Investments, LLC

Mid-Size Firm Representative Candidates

- None.

Large Firm Representative Candidate

- Alexis Schumann, Chief Regulatory Officer, Advisor Group, SagePoint Financial

District 4: *Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota*

Small Firm Representative Candidate

- Amy Guthrey, Senior Vice President, Risk Management & CCO, Burch & Company, Inc.

Mid-Size Firm Representative Candidates

- None.

Large Firm Representative Candidates

- Patrick Dogan, Director – Capital Markets and Operations Compliance, Edward Jones

District 5: *Alabama, Arkansas, Louisiana, Mississippi, Oklahoma and Tennessee*

Small Firm Representative Candidates

- Robert Keenan, CEO, St. Bernard Financial Services, Inc.

Mid-Size Firm Representative Candidates

- None.

Large Firm Representative Candidate

- None.

District 6: *Texas*

Small Firm Representative Candidates

- None.

Mid-Size Firm Representative Candidates

- Abel Garcia, Jr., Senior Vice President, Risk Management & CCO, Prospera Financial, Inc.

Large Firm Representative Candidates

- None.

District 7: *Florida, Georgia, North Carolina, Puerto Rico, Panama, South Carolina and the Virgin Islands*

Small Firm Representative Candidates

- None.

Mid-Size Firm Representative Candidates

- None.

Large Firm Representative Candidates

- Michael Pagano, Executive Vice President – Compliance, Legal & Risk Assessment, 1st Global Capital Corp.
- Daniel Woodring, SVP/Chief Compliance Officer, PFS Investments Inc.

District 8: *Illinois, Indiana, Kentucky, Michigan, Ohio and Wisconsin*

Small Firm Representative Candidates

- Stephen S. Berkeley, Chief Compliance Officer and Regulatory Counsel, Loop Capital Markets, LLC

Mid-Size Firm Representative Candidates

- None.

Large Firm Representative Candidates

- None.

District 9: *Delaware, the District of Columbia, Maryland, New Jersey and New York (except for the counties of Nassau and Suffolk, and the five boroughs of New York City), Pennsylvania, Virginia and West Virginia*

Small Firm Representative Candidates

- Dale A. Pope, President, MerCap Securities, LLC
- Steven D. Trigili, Chief Compliance Officer, Garden State Securities, Inc.

Mid-Size Firm Representative Candidates

- None.

Large Firm Representative Candidates

- Page Howard Pennell, Deputy CCO & Senior Director/Exam Management, AXA Advisors, LLC

District 10: *New York (Nassau and Suffolk Counties, Bronx, Brooklyn, New York County, Queens and Staten Island)*

Small Firm Representative Candidates (two vacancies available)

- Jay Gettenberg, FinOp, Liquidity Edge, LLC
- John Parmigiani, Chief Executive Officer, Allied Millennial Partners

Mid-Size Firm Representative Candidates

- None.

Large Firm Representative Candidate

- Elizabeth Bailey, Managing Director/Chief Compliance Officer, BMO Capital Markets Corp.

District 11: *Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont*

Small Firm Representative Candidates

- None.

Mid-Size Firm Representative Candidates

- John M. Malone, SVP/Chief Compliance Officer, Amundi Pioneer Distributor, Inc.
- Sheelagh Howett, Chief Risk Officer, Cantella & Co., Inc.

Large Firm Representative Candidates

- Richard J. O'Brien, Senior Vice President/Chief Compliance Officer, National Financial Services, LLC

