

Election Notice

Special Election to Fill a Small Firm Vacancy on the National Adjudicatory Council

Petitions for Candidacy Due: Thursday, December 13, 2018

Executive Summary

The purpose of this *Election Notice* is to notify members that FINRA will conduct a special election to fill a Small Firm seat on the National Adjudicatory Council (NAC).¹

FINRA's Nominating & Governance Committee (Nominating Committee) determined it would not nominate a candidate for this special election. Instead, any eligible individual who obtains the requisite number of valid petitions may be included as a candidate on the ballot by following the petition procedures set forth in FINRA Regulation's By-Laws and as further described in this *Notice*. The individual elected will serve until December 31, 2020.

A formal *Notice of the Special NAC Election* and ballot will be mailed to the executive representatives of all eligible FINRA member small firms on or about Friday, December 21, 2018. The elected individual will complete a term scheduled to conclude on December 31, 2020.

Note: This Notice was distributed electronically to the executive representative of each FINRA member firm and it is posted on FINRA's website at www.finra.org/notices/election/NAC/102918. Executive representatives should circulate this Notice to their firms' branch managers.

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.

October 29, 2018

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

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.

The NAC meets five 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 appeals, which involves reading the record of the case and attending oral argument, and to participate in several conference calls to handle NAC matters. Potential candidates should ensure that their other commitments will allow for their in-person attendance at all NAC meetings.

The elected individual's term will be for two years; his/her term will start in January 2019 and will conclude in December 2020.

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 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; 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 individual's election, and the person satisfies the small 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, October 26, 2018, the number of FINRA small firms was 3,327.

Petitioners must provide information sufficient for the Corporate Secretary to determine that the petitions are duly executed by the executive representatives of the requisite number of small firms. In addition, to assist in the process of verifying petitions, FINRA requests that all petitions submitted be dated by their signatory. **Petitions must be submitted no later than Thursday, December 13, 2018.**

Firms may only endorse a petitioner for an open seat that corresponds to the firm's own size classification. Therefore, only small firm members may endorse petitioners seeking this Small Firm NAC Member seat. 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 small firms eligible to endorse a candidate.

Voting Eligibility

In the case of a contested election, firms are eligible to cast one vote for a candidate running for a seat that is in the same size category as their own firm. Therefore, small firms may vote in this special election for a Small Firm NAC candidate. All eligible firms will receive a ballot listing the candidates for the vacant seat.

The individual elected will serve until December 31, 2020.

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.²

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>.

Endnotes

1. This election will fill the Small Firm seat on the NAC held by Paige W. Pierce, who was recently elected to the FINRA Board of Governors.
2. 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/102918.

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.)