

# Election Notice

## Nominees for FINRA Board of Governors

August 3, 2007

### Suggested Routing

- Executive Representatives
- Senior Management

### Executive Summary

The first Annual Meeting of the Financial Industry Regulatory Authority (FINRA) members will be October 26, 2007.

The formal notice of the meeting, including the time and location, will be mailed on or about September 21, 2007. The individuals nominated by the former NASD Board of Governors and/or the Board of Directors of NYSE Group, Inc. for election to the FINRA Board of Governors (FINRA Board) are identified in this *Election Notice*.

Pursuant to Article VII, Section 10 of the FINRA By-Laws, a person who has not been so nominated for election to the FINRA Board may be included on the ballot for the election of governors if:

- within 45 days after the date of this *Election Notice*, such person presents to the Corporate Secretary petitions in support of such nomination, duly executed by at least three percent of FINRA members entitled to vote for such nominee's election. Members may only endorse persons for the category in which they are entitled to vote. No member may endorse more than one such nominee. If, however, a candidate's name appears on a petition in support of a slate of more than one nominee, the slate must be endorsed by 10 percent of FINRA's voting members entitled to vote for such nominees' election; and
- the Corporate Secretary certifies that such petitions have been duly executed by the executive representatives of the requisite number of FINRA members entitled to vote for such person's election, and the person being nominated satisfies the classification of the governorship to be filled based on the information provided by the person as is reasonably necessary for the Corporate Secretary to make the certification.

The number of FINRA Small, Mid-Size and Large Firms as of close of business on August 2, 2007, as well as the requisite number of firms required to meet the above-referenced thresholds, can be found on FINRA's Web site at [www.finra.org/notices/election/080307](http://www.finra.org/notices/election/080307).

Persons submitting petitions must provide information sufficient for the Corporate Secretary to determine the person's status with respect to the category for which he or she is nominated. Please note that if a petition slate includes persons from different firm size categories, signatures of 10 percent of each respective firm class size are required.

## Composition of the Board

Pursuant to Article XXII, Section 2 of the FINRA By-Laws, during the Transitional Period,<sup>1</sup> the FINRA Board shall consist of 23 members, including:

- the Chief Executive Officer of FINRA;
- the Chief Executive Officer of NYSE Regulation, Inc.<sup>2</sup>;
- 11 Public Governors;
- one Floor Member Governor;
- one Independent Dealer/Insurance Affiliate Governor;
- one Investment Company Affiliate Governor;
- three Small Firm Governors;
- one Mid-Size Firm Governor; and
- three Large Firm Governors.

Of the 23 Board members, the three Small Firm Governors, one Mid-Size Firm Governor and three Large Firm Governors will be elected as Governors at the first Annual Meeting of members following the Closing (the Annual Meeting will be October 26, 2007), and, subject to certain qualifications,<sup>3</sup> will hold office until the first Annual Meeting of members following the Transitional Period.

To be eligible to serve, Large Firm Governors must be registered with Large Firms, Small Firm Governors must be registered with Small Firms, and the Mid-Size Firm Governor must be registered with a Mid-Size Firm. In order for the Board to maintain compliance with the compositional requirements of the FINRA By-Laws, the seven elected Board members have a continuing obligation to satisfy the firm-size classification throughout the entire term for which the Governor is elected. Pursuant to Article I of FINRA's By-Laws, firm sizes are defined as follows:

- a Large Firm is defined as a member that employs 500 or more registered persons<sup>4</sup>;
- a Mid-Size Firm is defined as a member that employs at least 151 and no more than 499 registered persons<sup>5</sup>; and
- a Small Firm is defined as a member that employs at least one and no more than 150 registered persons.<sup>6</sup>

The By-Laws expressly provide that the term of office of a Governor shall terminate immediately upon a determination by the Board, by a majority vote of the remaining Governors, that the Governor no longer satisfies the classification for which the Governor was elected. Individuals seeking nomination for the Large, Small and Mid-Size Firm seats also have an obligation to satisfy the firm-size classification on the date the petition is circulated, the date the petition is certified by the Corporate Secretary and the date of the Annual Meeting. Individuals who fail to meet this requirement will be disqualified from election.

## Voting Eligibility

Member firms are eligible to vote for the industry nominees who are running for seats that are in the same size category as their own firm. Therefore, Small Firms and Large Firms may vote only for the candidates running for the seats reserved for their firm size, and Mid-Size Firms will likewise vote only for the Mid-Size Firm seat.

The size of each firm will be verified on the day the ballots are mailed. Each firm eligible to vote will receive a ballot containing the nominees for their voting class.

## Questions/Further Information

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

**Barbara Z. Sweeney**

Senior Vice President and Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1506  
(202) 728-8062

or

**T. Grant Callery**

Executive Vice President and General Counsel  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1506  
(202) 728-8285

## FINRA Board of Governors Nominees

The following seven persons (see profiles below) have been nominated by the NASD Board of Governors and/or NYSE Group Board of Directors pursuant to Article XXII, Section 4 of the FINRA By-Laws to serve on the FINRA Board. The elected individuals will serve until the first Annual Meeting of members following the Transitional Period, or until their successors are duly elected or qualified, or until death, resignation, disqualification or removal.<sup>7</sup>

The Transitional Period will conclude on July 30, 2010.

### Small Firm

|                           |                                             |
|---------------------------|---------------------------------------------|
| <b>Robert A. Muh</b>      | CEO, Sutter Securities, Inc.                |
| <b>G. Donald Steel</b>    | President, Planned Investment Company, Inc. |
| <b>Duncan F. Williams</b> | President, Duncan-Williams, Inc.            |

### Mid-Size Firm

|                           |                                                                                  |
|---------------------------|----------------------------------------------------------------------------------|
| <b>W. Dennis Ferguson</b> | Executive Vice President and Director of Clearing,<br>Sterne, Agee & Leach, Inc. |
|---------------------------|----------------------------------------------------------------------------------|

### Large Firm

|                             |                                                             |
|-----------------------------|-------------------------------------------------------------|
| <b>Richard F. Brueckner</b> | CEO, Pershing LLC                                           |
| <b>Robert J. McCann</b>     | President, Merrill Lynch Global Private Client Group        |
| <b>Thomas A. Russo</b>      | Vice Chairman and Chief Legal Officer, Lehman Brothers Inc. |

## Profiles of FINRA Board Nominees for Small Firm Governors

**Robert A. Muh** is a co-founder and CEO of Sutter Securities Inc., which was founded in 1992 and is located in San Francisco, California. Sutter Securities is a full-service investment banking company that assists clients in the areas of financial advisory services, mergers and acquisitions, fairness opinions, litigation support and securities trading. From 1988 until founding Sutter Securities, Mr. Muh was a private investor serving on numerous public and private boards of directors. From 1978 to 1987, he was with Bear, Stearns & Co., where he started the corporate finance department in Los Angeles, became a general partner, and then headed the firm's San Francisco region where he oversaw all trading, retail and corporate finance activities of over 200 people. Prior to joining Bear, Stearns, Mr. Muh was Chairman of Newburger, Loeb & Co. from 1971 to 1973 and a management consultant with McKinsey & Company from 1966 to 1969. He received a Bachelor of Science from Massachusetts Institute of Technology in 1959, a Master of Business Administration and a Master of Philosophy from Columbia University in 1965.

**G. Donald Steel** is the President of Planned Investment Company, Inc., a small Broker-Dealer and RIA firm based out of Indianapolis, Indiana. Mr. Steel has been a Producing Manager since 1980 and the firm's President since 1987. Planned Investment Company conducts fund and variable annuity direct business and listed business clearing through Mesirow Financial, Inc. Mr. Steel was a member of the NASD District 8 Committee from 1990 to 1991 and was Chairman of that committee in 1992. He is an Industry/Non-Public FINRA Arbitrator and is a member of the FINRA Membership Committee and the FINRA Small Firm Advisory Board. Mr. Steel previously served on the Net Capital Task Force in 2005 and on the Small Firm Business Continuity Task Force from 2006 to 2007. Mr. Steel served for 30 years in the U.S. Navy both as an active and reserve Naval Flight Officer. He retired in 2002 as a Captain. Mr. Steel has been the Board Chairman of three United Way Agencies, including The Salvation Army. He chaired the building of the USS Indianapolis (CA-35) National Memorial, and was a National Vice President of the Navy League of the U.S. He is a past President of the Kiwanis Club of Indianapolis. Mr. Steel graduated with a Bachelor's degree in Soviet Studies and General Engineering in 1975 from the U.S. Naval Academy. He received his Naval Flight Officer Wings in 1977, and attended the Naval Justice School.

**Duncan F. Williams** is the President of Duncan-Williams, Inc. of Memphis, Tennessee. Mr. Williams has been with the firm since 1993 and has served as President since 2000. Duncan-Williams, Inc. is a regional investment-banking firm. Since its founding in 1969 as a municipal bond dealer, the company has expanded in sales, finance and underwriting of all fixed income securities to the general public and financial institutions. Mr. Williams is a current member of the FINRA Small Firm Advisory Board, a member of the FINRA Small Firms Impact Task Force and the FINRA Small Firm Emergency Partner Program Working Group. He served on the NASD District Nominating Committee from 2002 to 2004. From 1999 to 2002, he served on the NASD District Business Conduct Committee and was the committee's chairman in 2002. He is currently a Board Member of the Leadership Academy in Memphis, a member of the Memphis Economic Club, and an Advisory Board Member of SunTrust Bank. Mr. Williams graduated from the University of Alabama in 1990 and is a member of the President's Cabinet, Commerce Executive Society and the Board of Visitors at the University of Alabama.

## Profile of FINRA Board Nominee for Mid-Size Firm Governor

**W. Dennis Ferguson** is Executive Vice President and Director of Clearing for Sterne, Agee & Leach, Inc. in Boca Raton, Florida. He is also President of Sterne Agee Capital Markets, which provides execution and fully disclosed clearing services. Mr. Ferguson is also Chairman of the FINRA National Adjudicatory Council (NAC). He started in the securities industry in 1970. Since 1982, he has worked in the clearing services arena and has served the industry through the Securities Industry and Financial Markets Association (SIFMA) as a member of the Clearing Firms Committee and the Membership Committee, both of which he has previously chaired. From 1995 to 1996 he was President of the Florida Securities Dealers Association. Mr. Ferguson previously has served NASD as Chairman of the District Committee for District 7 and as a member of the Membership, Financial Responsibility, and Uniform Practice Code Committees. Mr. Ferguson graduated from Florida Southern College and did graduate work at Florida Atlantic University.

## Profile of FINRA Board Nominees for Large Firm Governors

**Richard F. Brueckner** is Chairman and Chief Executive Officer of Pershing LLC, a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY). Pershing offers an extensive range of investment products and services that enable financial organizations and their investment professionals to compete successfully in the marketplace. Mr. Brueckner joined BNY in May 2003 when BNY acquired Pershing from Credit Suisse First Boston. He served as CEO of Pershing and as a member of the CSFB Executive Board after CSFB's acquisition of Donaldson, Lufkin and Jenrette (DLJ) and Pershing in November 2000. Mr. Brueckner joined DLJ in 1978 and held a variety of senior management positions in administration, finance, marketing and operations at DLJ and Pershing. Prior to 1978, he was in the management group of the Investment Services Department of KPMG Peat Marwick. Mr. Brueckner served as Chairman of the Securities Industry Foundation for Economic Education and is a trustee of its successor organization, Foundation for Investor Education. He is an officer and a director of the Securities Industry and Financial Markets Association (SIFMA) and has served as the founding Chairman of the Clearing Firms Committee, Chairman of the Membership Committee and Chairman of the New York District. He has also served on various boards and committees of the NASD and as Chairman of the NAC. Mr. Brueckner holds a B.A. in Economics from Muhlenberg College, where he is Chairman of the Board of Trustees. He is also a CPA.

**Robert J. McCann** is President of Merrill Lynch's Global Private Client Group, which provides investment, insurance, banking and retirement services for individuals and businesses. He was appointed to this position in 2005. He joined Merrill in 1982 as an associate in the M.B.A. Sales & Trading program. From August 2003 until June 2005, he served as Vice Chairman of the firm's Wealth Management Group, overseeing Global Private Client, Merrill Lynch Investment Managers and Global Securities Research and Economics. Previously, Mr. McCann was head of Global Securities Research and Economics, responsible for all equity, fixed income and macro analysts and strategists worldwide. During this time, he led efforts to restructure and refocus the company's research activities. From September 2000 to October 2001, he served as Chief Operating Officer of the Global Markets and Investment Banking Group and was head of the Global Institutional Client Division prior to that. Additionally, Mr. McCann led the Global Equity Markets division from 1995 to 1998. Mr. McCann is a member of the Board of Trustees of Bethany College and the Board of Directors of the Securities Industry and Financial Markets Association (SIFMA). He serves on the Executive Committee of the Board of Directors of the American Ireland Fund and as a consultant to the Administration of the Patrimony of the Apostolic See (A.P.S.A). Mr. McCann is also Chairman of the Sponsors for Educational Opportunity (SEO) Executive Advisory Board. Mr. McCann received his Bachelor's degree from Bethany College and a M.B.A. from Texas Christian University.

**Thomas A. Russo** is Vice Chairman and Chief Legal Officer of Lehman Brothers Inc. He is responsible for the Firm's Corporate Advisory Division, which includes Legal, Compliance, Corporate Audit, Government Relations and Transaction Management. Prior to joining Lehman Brothers in 1993, Mr. Russo was a partner at Cadwalader, Wickersham & Taft. Previously, Mr. Russo was the Director of the Commodity Futures Trading Commission's Division of Trading and Markets and worked as an attorney in the Division of Market Regulation at the Securities and Exchange Commission. He is Chairman of the Executive Committee of the Board of Trustees of the Institute of International Education, a member of the Executive Committee of the March of Dimes, Vice Chairman of the Board of Trustees of The Institute for Financial Markets and a member of the Committee on Capital Markets Regulation. Mr. Russo earned a B.A. (Phi Beta Kappa) from Fordham University, a J.D. from Cornell Law School and an M.B.A. from Cornell University's Johnson School of Management.

## Endnotes

- 1 Pursuant to Article I (zz) of the FINRA By-Laws, the Transitional Period means the period commencing on the date of the Closing and ending on the third anniversary of the date of the Closing; however, the initial member-elected Governors shall hold office, subject to certain qualifications, until the first Annual Meeting of members following the Transitional Period. *See* Article XXII, Section 3 of the FINRA By-Laws.
- 2 During the Transitional Period, the Chairman of the Board shall be the Chief Executive Officer of NYSE Regulation, Inc. as of Closing.
- 3 *See* Article XXII, Section 3 of the FINRA By-Laws.
- 4 *See* Article I (y) of the FINRA By-Laws.
- 5 *See* Article I (cc) of the FINRA By-Laws.
- 6 *See* Article I (ww) of the FINRA By-Laws.
- 7 *See* Article XXII, Section 3 of the FINRA By-Laws.