

# Election Notice

## FINRA Small Firm Advisory Board Election

November 1, 2007

### Suggested Routing

- Executive Representatives
- Senior Management

### Executive Summary

The purpose of this *Notice* is to inform FINRA Small Firm members<sup>1</sup> of the upcoming Small Firm Advisory Board (SFAB) election. The SFAB provides guidance to FINRA staff, particularly regarding the potential impact of proposed regulatory initiatives on FINRA's Small Firm members, and meets in Washington, DC, prior to each FINRA Board of Governors meeting. SFAB members are expected to attend SFAB meetings in person, as well as Regional and District Committee meetings and other FINRA meetings and functions. Potential candidates should ensure that their other commitments will allow for their in-person attendance at these events on a regular basis.

Five seats on the SFAB are up for election. Any eligible candidate wishing to have their name added to the ballot must submit the relevant information via the candidate profile form attached to this *Notice* to the Corporate Secretary of FINRA no later than Friday, November 30, 2007.

On or about Friday, December 14, 2007, FINRA will mail the official *Election Notice* and ballots to the Executive Representatives of Small Firm members to elect the five regional members of the SFAB. Voting will conclude in January 2008 and new members will take office in April 2008.

## Composition of the FINRA Small Firm Advisory Board

Pursuant to a resolution of the FINRA Board of Governors, the composition of the SFAB has been revised. Beginning in April 2008, the SFAB will comprise ten members consisting of:

- ▶ five regional members elected by Small Firms in the five FINRA regions (one from each region); and
- ▶ five at-large members appointed by FINRA.

Additionally, the FINRA Board's Small Firm Governors<sup>2</sup> will serve as *ex-officio* members of the SFAB.

The five regional members up for election will represent the following geographic regions:

- ▶ **Midwest Region:** Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin (Districts 4 and 8)
- ▶ **New York Region:** New York (the counties of Nassau and Suffolk, and the five boroughs of New York City) (District 10)
- ▶ **North Region:** Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York (except for the counties of Nassau and Suffolk, and the five boroughs of New York City), Pennsylvania, Rhode Island, Vermont, Virginia and West Virginia (Districts 9 and 11)
- ▶ **South Region:** Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, the Canal Zone, Puerto Rico and the Virgin Islands (Districts 5, 6 and 7)
- ▶ **West Region:** Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming and the former U.S. Trust Territories (Districts 1, 2 and 3)

## Candidate Eligibility

Any senior member of a Small Firm whose primary place of business is in the region in which his or her firm has its main office (as indicated in FINRA records) is eligible to have his or her name placed on the SFAB ballot for that region. Senior members of firms include owners, chief executive officers, presidents, chief compliance officers, chief operating officers or individuals of comparable status. Eligible individuals must complete the attached SFAB candidate profile form<sup>3</sup> and submit it, through their firm's Executive Representative, to FINRA's Corporate Secretary. There may be only one candidate per firm on each ballot.

SFAB candidate profiles for the upcoming election must be received by the Corporate Secretary of FINRA no later than November 30, 2007.

FINRA's Corporate Secretary will confirm the firm's status as a Small Firm and the candidate's eligibility, and include certified candidates on the relevant region's ballot.

Individuals have a continuing obligation to satisfy the firm-size requirement on the date the candidacy is certified by the Corporate Secretary and the date the ballots are mailed. Individuals who fail to meet this requirement will be disqualified from election. SFAB members must also continue to meet their qualifications for election at all times during their terms of office.

## Voting Eligibility

FINRA Small Firms are eligible to vote for candidates running for the SFAB seat representing the region corresponding to the district to which they are assigned in the Central Registration Depository.

The size of each firm and the location of each firm's main office will be verified on the day the ballots are mailed. Each firm will receive a ballot for the region in which it is eligible to vote. Firms may vote for only one candidate listed on the ballot.

## Terms of SFAB Members

The successful candidate will be the individual who receives the most votes in their region. Eventually, all SFAB members will serve three-year terms. However, in order to maintain continuity on the SFAB going forward, the end of the terms of the individuals elected during this election will be staggered—and not all of them will serve for three years. Three-year terms will be phased in over the next three election cycles, with all SFAB members elected beginning with the 2009 election serving full three-year terms.

The schedule below shows the terms for persons to be elected in the upcoming election.

	Serves until December 31, 2010	Serves until December 31, 2009	Serves until December 31, 2008
Midwest Region			x
New York Region	x		
North Region		x	
South Region			x
West Region		x	

The term of an SFAB member shall terminate immediately upon a determination by the SFAB, by a majority vote of the remaining members, that the member no longer satisfies the eligibility criteria. Additionally, the FINRA Board may remove from the SFAB a member who is unable or fails to discharge the member's duties.

Once an individual has completed a full three-year elected term on the SFAB, he or she is ineligible to run for reelection to the SFAB for another three years.

## District Elections

District Committee elections will be shortly after the SFAB election concludes. An *Election Notice* regarding the nomination and election process to fill vacancies on FINRA District Committees and District Nominating Committees will be disseminated on or about January 21, 2008.

## 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  
(202) 728-8075 (fax)

or

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

## Endnotes

- 1 A Small Firm is defined as a member that employs at least one and no more than 150 registered persons. *See* Article I (ww) of the FINRA By-Laws.
- 2 A Small Firm Governor is defined as a member of the FINRA Board elected by Small Firm members. In order to be eligible to serve, a Small Firm Governor must be registered with a member that is a Small Firm and must be an Industry Governor. *See* Article I (xx) of the FINRA By-Laws.
- 3 The SFAB candidate profile form is also available at [www.finra.org/notices/election/110107](http://www.finra.org/notices/election/110107)

**ATTACHMENT - Candidate Profile Form**

**Current Registration**

Name: \_\_\_\_\_ CRD#: \_\_\_\_\_

Firm #: \_\_\_\_\_ RRs at Firm: \_\_\_\_\_

Title/Primary Responsibility: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**Prior Registration** *(List the most recent first. Feel free to include extra pages if necessary.)*

Firm: \_\_\_\_\_

Title/Primary Responsibility: \_\_\_\_\_

Firm: \_\_\_\_\_

Title/Primary Responsibility: \_\_\_\_\_

**General Areas of Expertise**  
*(please check all that apply)*

- Compliance/Legal
- Investment Advisory
- Corporate Finance
- Retail Sales
- Financial/Operational
- Trading/Market Making
- Institutional Sales
- Other

**Product Expertise**  
*(please check all that apply)*

- Corporate Bonds
- Investment Company
- Direct Participation Programs
- Options
- Equity Securities
- Variable Contracts Securities
- Municipal/Government Securities
- Other

**Memberships/Positions Held in Trade or Business Organizations**

\_\_\_\_\_  
\_\_\_\_\_

**Past NASD/FINRA Experience and Dates of Service** *(please check all that apply)*

- Committee Member  
*(Identify committee):* \_\_\_\_\_ *Approx. Dates:* \_\_\_\_\_
- Arbitrator \_\_\_\_\_ *Approx. Dates:* \_\_\_\_\_
- Mediator \_\_\_\_\_ *Approx. Dates:* \_\_\_\_\_
- Expert Witness *(arbitrations; disciplinary proceedings)* \_\_\_\_\_ *Approx. Dates:* \_\_\_\_\_
- Other: \_\_\_\_\_ *Approx. Dates:* \_\_\_\_\_

**Educational Background**

School: \_\_\_\_\_ Degree: \_\_\_\_\_

School: \_\_\_\_\_ Degree: \_\_\_\_\_

Fax form to: (202) 728-8075