

Election Notice

FINRA Notice of Special Meeting of Small Firms and Proxy

Executive Summary

The Financial Industry Regulatory Authority, Inc. (FINRA) will conduct a special meeting of small firms on Friday, November 21, 2008, at 9 a.m. in the FINRA Visitors Center, 1735 K Street, NW, in Washington, DC. The purpose of the meeting is to elect an individual to fill the vacant Small Firm Governor seat on FINRA's Board of Governors.

It is important that all small firms be represented by proxy or in person at the special meeting. Small firms are urged to vote in the election using one of the methods described below. In order for a proxy to be considered valid, it must be signed by the executive representative of a small firm eligible to vote in the election.

Small firms that are members of FINRA as of the close of business on October 23, 2008, (the special meeting record date) will be eligible to vote in this election.

Note: This *Notice* was distributed in writing to all small firms and in addition it was sent electronically to the executive representative of each FINRA member firm and it is posted on FINRA's Web site at www.finra.org/notices/election/102408.

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

- Marcia E. Asquith, Senior Vice President and Corporate Secretary, FINRA, at (202) 728-8949; or
- T. Grant Callery, Executive Vice President and General Counsel, FINRA, at (202) 728-8285.

October 24, 2008

Suggested Routing

- Executive Representatives
- Senior Management

Election of a Small Firm Candidate to the Board of Governors

There is one Small Firm Governor vacancy to be filled at this meeting.¹ To be eligible to serve, an individual must be registered with a small firm. A small firm is defined as a broker or dealer admitted to membership in FINRA that employs at least one and no more than 150 registered persons.²

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 and the governor's continued service would violate the compositional requirements of the Board set forth in the FINRA By-Laws.

Term of Office

The elected individual will complete the term vacated by Governor Richard L. Goble and will serve until the first annual meeting of members following the Transitional Period, or until his or her successor is duly elected or qualified, or until death, resignation, disqualification or removal.³

The Transitional Period will conclude on July 30, 2010.

Attachment A lists the FINRA nominee⁴ and those persons who, as stated in Article VII, Section 10 of the FINRA By-Laws (i) presented the requisite number of petitions in support of their nomination, and (ii) have been certified by the Corporate Secretary of FINRA as satisfying the classification of the governorship to be filled.

Attachment B includes the profiles of the nominees.

There are three small firm seats on the Board. In addition to the vacant seat being filled through this special election, the two other Small Firm Governors are G. Donald Steel of Planned Investment Company, Inc., Indianapolis, Indiana, and Duncan F. Williams of Duncan - Williams, Inc., Memphis, Tennessee.

Voting Eligibility

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 only small firms are eligible to vote in this election. A proxy containing the nominees for the Small Firm Governor vacancy was mailed with a copy of this *Notice* to all eligible small firms.

Voting Methods

Small firms will be able to submit a proxy by any lawful means, including using any of the following methods:

- Telephone;
- U.S. mail; or
- Internet.

Alternatively, small firms may attend the special meeting and vote in person. The enclosed proxy contains detailed instructions on the proxy submission procedures. As mentioned above, it is important that all small firms be represented at the special meeting. Following receipt of this *Notice* and proxy, executive representatives of small firms may receive telephone reminders during the election period. This will ensure that sufficient proxies are received by FINRA to satisfy the special meeting quorum requirements of Section 215(c) of Title 8 of the General Corporation Law of the State of Delaware, as well as to ensure broad participation in the election by small firms that are eligible to vote.

Revocation of Proxies

If you have given a revocable proxy pursuant to a proxy card distributed by FINRA or otherwise in the manner described herein, you may nonetheless revoke your proxy by attending the special meeting and voting in person. In addition, you may revoke any such proxy you give at any time before the special meeting by delivering to FINRA's Corporate Secretary a written statement revoking it or by duly delivering another proxy at a later time. Your attendance at the special meeting will not in and of itself constitute a revocation of your proxy.

Endnotes

- 1 As stated in to Article XXII, Section 2 of the FINRA By-Laws, during the Transitional Period, the FINRA Board shall consist of 23 members.
- 2 See Article I (vvv) of the FINRA By-Laws.
- 3 See Article XXII, Section 3 of the FINRA By-Laws.
- 4 The FINRA nominee was nominated by the NASD Group Committee of FINRA's Board of Governors pursuant to Article XXII, Section 4 of the FINRA By-Laws. The NASD Group Committee comprises the five Public Governors appointed by the legacy NASD Board of Governors (NASD Board), the Small Firm Governors nominated by the NASD Board and the Independent Dealer/Insurance Affiliate Governor appointed by the NASD Board.

**ATTACHMENT A: List of Nominees for Small Firm Governor
Seat on FINRA's Board of Governors****FINRA Board of Governors Nominee**

- Mari J. Buechner Chief Executive Officer Coordinated Capital Securities, Inc.

Petition Candidates

- Mark M. Mercier Chief Compliance Officer Brookstone Securities, Inc.
- Daniel W. Roberts President & Chief Compliance Officer Roberts & Ryan Investments Inc.
- Howard Spindel Executive A.J. Pace & Co., Inc.

ATTACHMENT B: Profiles of Nominees

Mari J. Buechner

Mari Buechner is the president and chief executive officer of coordinated capital Securities, Inc. (CCS), a full-service broker-dealer and investment advisory firm located in Madison, Wisconsin, with over 20 years of industry experience. CCS has 90 independent contractor registered representatives and seven home office personnel. Ms. Buechner has developed and implemented a supervisory system designed to accommodate a small independent contractor firm.

In 2008, Ms. Buechner was appointed as an at-large member of FINRA's Small Firm Advisory Board. She is a member of FINRA's Independent Dealer/Insurance Affiliate Committee, a past FINRA District 8 Committee member, a member of the FINRA District 8 Nominating Committee, a past member of FINRA Licensing and Registration Committee and volunteers her time to work on various FINRA member education programs. She is also a Board member of the Financial Services Institute.

Ms. Buechner graduated from the University of Wisconsin-Madison in 1987 with a Bachelor of Science Degree in Finance and Marketing.

Mark M. Mercier

Mark M. Mercier is chief compliance officer for Brookstone Securities, Inc., a small nationwide broker-dealer based in Lakeland, Florida and founded in 1983. Brookstone Securities operates on the independent model, providing compliance oversight, product alternatives and back-office services to independent registered representatives. Prior to joining Brookstone, Mr. Mercier was a senior compliance analyst at Invest Financial, assistant chief of compliance for GunnAllen Financial, relationship manager for Southwest Securities, technical design analyst for Raymond James and Associates, and he served as chief compliance officer and FinOp for Calton and Associates. At most of his firms, including his current employment, Mr. Mercier has either been a trader or has supervised the trading desk. Mr. Mercier worked for several years as a producing representative, being responsible for building and servicing his own book of business. Mr. Mercier is an experienced FINRA Arbitrator, serving on panels since 1994. Mr. Mercier also served as president of Broker-Dealer Compliance, Inc., a compliance outsourcing firm for small- to medium-sized broker-dealers having an emphasis on compliance technology. Mr. Mercier holds the Series 4, 7, 24, 27, and 73 licenses and serves on the Student Advisory Council at McKittrick Elementary in Lutz, Florida.

Daniel W. Roberts

Daniel W. Roberts is the president and chief compliance officer for Roberts & Ryan Investments Inc., a broker-dealer which he founded in 1987. The firm is a traditional full service and underwriting broker/dealer offering a broad range of investment services including insurance and municipal bond underwriting. During the 15 years prior to founding this firm, Mr. Roberts was a registered representative and assistant branch manager for Dean Witter & Company of San Francisco. Mr. Roberts has 36 years of

continuous professional experience in the investments industry. In addition, he has served as an arbitrator for the New York Stock Exchange and a hearing panelist for FINRA. He served in the U.S. Marine Corp. from 1965 to 1968, including as Artillery Battery Commander in Vietnam from 1966 to 1967, and achieved the rank of captain. He served on the Board of Directors for the San Francisco Bond Club from 1995 to 2000, and 1998 to 2000 as President of the California Disabled Veteran Business Enterprise Alliance, advocates for the state's disabled veteran business owners. In 2004 he was elected by nomination petition to FINRA District One Committee and in 2007 was elected Western Regional Representative to the Small Firm Advisory Board, on which he continues to serve.

Howard Spindel

Howard Spindel is a senior managing director of Integrated Management Solutions, a consulting firm to the financial services community since 1985. During 2005, Mr. Spindel co-founded Integrated Investment Solutions LLC, an affiliated hedge fund administrator. He currently serves as the Financial and Operations principal, Registered Options principal or General Securities principal of 28 FINRA members, all of which are defined as small firms. After graduating from Hunter College of the City University of New York, where he earned a Bachelor of Science degree in Accounting in 1968, Mr. Spindel began his career in the Technical Research and Review Department and on the audit staff of Oppenheim, Appel, Dixon & Co. In 1971, he became a Certified Public Accountant. In 1974, Mr. Spindel became associated with Coopers & Lybrand as an audit supervisor, and then in 1975 with the New York Stock Exchange (NYSE) as manager of the Capital and Operational Standards Section of its Regulation and Surveillance Group. In 1977, Mr. Spindel served as comptroller of Wm. D. Mayer & Co., a NYSE member firm specializing in options trading. In 1980, he became a financial and operations partner at S.B. Lewis & Company, a NYSE member firm specializing in arbitrage and mergers and acquisitions. In 1982, Mr. Spindel was an operations partner of Greenfield Partners, another NYSE member firm.

Mr. Spindel currently serves on the Board of Directors of the Financial Management Division of the Securities Industry and Financial Markets Association (SIFMA), on SIFMA's Capital Committee, and on the Boards of Directors of two publicly-held companies. From 2005 through 2007, he served on the District Committee of FINRA District 10 in New York City. In January 2008, Mr. Spindel was elected to FINRA's Small Firm Advisory Board, representing the New York Region. He has testified as an expert witness in securities industry matters at disciplinary proceedings, civil and criminal court cases, arbitrations, and the United States Congress. He has served as a featured speaker at various NASD/FINRA and American Institute of Certified Public Accountants sponsored conferences, in each case dealing with issues involving the business of, and applicability of rules, procedures and controls to, broker-dealers, especially small ones.