

Election Notice

Notice of SFAB Election and Ballots

Executive Summary

The purpose of this *Notice* is to distribute to eligible FINRA small firms¹ the ballots to elect two regional members of the Small Firm Advisory Board (SFAB). Two seats on the SFAB are up for election, the Midwest and the South Region seats.

FINRA small firms in the Midwest and South Regions as of the close of business on November 20, 2008, are eligible to vote in this election. Eligible FINRA small firms can vote for one candidate running for the SFAB seat representing the region to which they are assigned in the Central Registration Depository. Firms are urged to vote in the election of SFAB members.

Ballots are due on Friday, December 19, 2008, and the newly elected SFAB members will take office in January 2009.

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.

SFAB Election

The composition of the SFAB was revised in 2008 to 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 Governors² serve as ex-officio members of the SFAB.

November 21, 2008

Suggested Routing

- Executive Representatives
- Senior Management

The five regional members 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*)

As previously mentioned, the Midwest and South Region seats are up for election.

Candidate Eligibility

Any senior executive of a small firm whose primary place of business and whose firm has its main office (as indicated in FINRA records) in the Midwest or South regions was eligible to have his or her name placed on the SFAB ballot for that region. Eligible senior executives of firms include owners, FINOPs, chief executive officers, presidents, chief compliance officers, chief operating officers or individuals of comparable status.

Attachment A lists the candidates certified by the Corporate Secretary of FINRA as satisfying requirements for each regional SFAB seat. Information about each candidate is available at www.finra.org/sfab/candidateprofiles.

Terms of SFAB Members

The individual who receives the most votes in a region will be elected to serve a three-year term.

In order to maintain continuity on the SFAB, FINRA is phasing in three-year terms. The terms of the individuals elected during the previous election were staggered—and not all of them were elected to serve a full three-year term.³ The SFAB members elected in this election will serve a full three-year term.

The term of an SFAB member will 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 or violates SFAB policies.

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.⁴

Voting Eligibility

As mentioned above, eligible FINRA small firms can vote for a candidate running for the SFAB seat representing the region to which they are assigned in the Central Registration Depository.

Ballots have been mailed, along with a copy of this *Notice*, to the executive representatives of small firms in the Midwest and South Regions to elect the two regional members of the SFAB. Firms may vote for only one candidate listed on the ballot.

Voting Methods

Firms will be able to vote by telephone, the Internet or by U.S. mail. The ballot sent to eligible small firms contains detailed instructions on the submission procedures.

It is important that all eligible member firms vote. Ballots are due on Friday, December 19, 2008.

Endnotes

- 1 A small firm is defined as a member firm 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 firms. In order to be eligible to serve, a Small Firm Governor must be registered with a member firm that is a small firm and must be an Industry Governor. See Article I (xx) of the FINRA By-Laws.
- 3 In the previous election, the New York Region Representative was elected to a three-year term; the West and North Region Representatives were elected to two-year terms; and the Midwest and South Region Representatives were elected to one-year terms.
- 4 As previously indicated, the individuals currently seated as the Midwest Region and South Region SFAB Representatives were elected to one-year terms in 2008 and, therefore, are eligible for re-election.

Attachment A: SFAB Candidates for Midwest and South Region Seats

Midwest Region Candidates

Eric A. Bederman	Chief Operating & Compliance Officer Bernardi Securities, Inc.
Deborah Castiglioni	Chief Executive Officer Cutter & Company, Inc.
Steven Greenwald	Chief Executive Officer and Chief Compliance Officer Telemus Investment Brokers, LLC
Edward A. Horwitz	President Horwitz & Associates, Inc.
Michael Nolan	President and Chief Executive Officer Terra Nova Financial LLC

South Region Candidates

Carolyn R. May	Chief Compliance Officer / Advisory Director Simmons First Investment Group, Inc.
David Wiley III	President Wiley Brothers – Aintree Capital
Caroline Wisniewski	President, Owner Bridge Capital Associates, Inc.