

Election Notice

NAC Election

FINRA Announces Nominees for Upcoming Vacancies on the National Adjudicatory Council

Executive Summary

The purpose of this *Election Notice* is to announce FINRA's nominees for two vacancies on the National Adjudicatory Council (NAC) to be filled by one Large Firm NAC Member and one Mid-Size Firm NAC Member.

FINRA's Nominating and Governance Committee nominated the following individuals: Charles V. Senatore for the Large Firm NAC seat and James H. Williams for the Mid-Size Firm NAC seat.

Eligible individuals who were not nominated may petition to have their name included on a ballot for a contested election by following the procedure below.

Note: This *Notice* was distributed 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/073010. Executive representatives should circulate this *Notice* to their firms' branch managers.

Questions regarding this *Notice* may be directed to:

- Marcia E. Asquith, Senior Vice President and Corporate Secretary, at (202) 728-8949; or
- Marc Menchel, Executive Vice President and Regulatory General Counsel, at (202) 728-8410.

July 30, 2010

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 and considers appeals of membership proceedings and exemption requests.

Composition of the NAC

In 2008, the SEC approved a rule change to amend FINRA Regulation's By-Laws to restructure the industry representation on the NAC. The changes replaced the regionally based approach to appointing industry members to the NAC with a process that is based on firm size and is similar to the FINRA Board approach. Under the amended FINRA Regulation By-Laws, the seven industry members of the NAC include two Small Firm, one Mid-Size Firm, two Large Firm and two At-Large Industry NAC Members. The other members of the NAC are seven Non-Industry Members, three of whom are public.

These changes to the composition of the NAC are being phased in over three years, as the terms of the existing industry members expire.

The Nominating and Governance Committee identifies candidates for all NAC seats, including the five industry member seats that are based on firm size.

Vacancies and Terms

The term of one regionally based Industry Member of the NAC will expire at the end of 2010. This seat will be filled with a Large Firm Member. The term of the Mid-Size Firm Member will also expire at the end of 2010 and will be filled with a like member. Each nominee will serve a three-year term beginning in January 2011.

Nominees and Nomination Process

FINRA's Nominating and Governance Committee has nominated the following individuals to fill the vacant Large Firm and Mid-Size Firm NAC Member seats:

Nominee for Large Firm NAC Member

- ▶ Charles V. Senatore – Senior Vice President of Fidelity Investments

Nominee for Mid-Size Firm NAC Member

- ▶ James H. Williams – President of Financial Telesis, Inc.

Profiles of the FINRA nominees are included in Attachment A.

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 the open NAC seats if:

- (a) Within 45 days of the date of this Election Notice, such person presents to the Secretary of FINRA, in the case of petitions solely in support of such person, petitions in support of his or her nomination duly executed by three percent of the members entitled to vote (based on firm size classification) for such nominee's election or, in the case of petitions in support of more than one person, petitions in support of the nominations of such persons duly executed by ten percent of the members entitled to vote (based on firm size classification) for such nominees' election; and
- (b) The Secretary certifies that the petitions are duly executed by the executive representatives of the requisite number of members entitled to vote for such nominee's/nominees' election, and the person(s) satisfies/satisfy the classification (Large Firm, Mid-Size Firm or Small Firm) of the NAC seat to be filled, based on such information provided by the person(s) as is reasonably necessary to make the certification.

Firms may only endorse a petition candidate for an open seat that corresponds to the firm's size classification. No firm may endorse more than one such candidate.

Individuals interested in petitioning to become candidates must complete a candidate profile form (Attachment B) and submit it to FINRA's Corporate Secretary. Upon receipt of a candidate profile form, the Corporate Secretary will forward the interested individual a list of firms eligible to endorse a candidate for that seat (based on firm size classification).

Individuals submitting petitions 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 large or mid-size firms by Monday, September 13, 2010.

The number of FINRA large firms as of the close of business on July 29, 2010, was 171 and the number of FINRA mid-size firms as of the close of business on July 29, 2010, was 219. The requisite number of large firm endorsements required to meet the above-referenced threshold is 6 and the requisite number of mid-size firm endorsements required to meet the above-referenced threshold is 7 for petitions in support of the nomination of a single person. Please note that, if a petition slate includes individuals from different firm-size categories, the signatures of 10 percent of each respective class size are required.

Voting Eligibility

In the case of a contested election, firms are eligible to cast one vote for an industry candidate who is running for a seat that is in the same size category as their own firm. Therefore, large firms may vote for a Large Firm NAC candidate and mid-size firms may vote for a Mid-Size Firm NAC candidate.

The size classification of each FINRA member firm will be verified on the day the ballots are mailed. All eligible large and mid-size firms will receive a ballot containing the candidates for the vacant Large Firm or Mid-Size Firm NAC seat.

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.

To update an executive representative's name and email address, firms may access the FINRA Contact System, located on FINRA's Web site at www.finra.org/fcs. To update postal address information, firms must file a Form BD Amendment via the Web CRD system. For assistance updating information via either of these systems, please contact the FINRA Call Center at (301) 590-6500.

Endnote

- 1 Pursuant to NASD Rule 1160, 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 NASD Rule 1160 and FINRA *Regulatory Notice 07-42* (September 2007).

Attachment A – Profiles of FINRA’s Nominees to the NAC

FINRA Nominee for Large Firm NAC Member Seat

Charles V. Senatore is head of corporate compliance for Fidelity Investments, the largest mutual fund company in the United States. He is responsible for overseeing the fulfillment of regulatory requirements across Fidelity’s investment management, investment advisory, institutional and brokerage businesses.

Prior to joining Fidelity in May 2003, Mr. Senatore served as co-head of Global Compliance at Merrill Lynch, after having served as director of the firm’s Regulatory Affairs Group. From 1994 to 1997, Mr. Senatore served as director of the SEC’s Southeast Region.

Prior to his service at the SEC, Mr. Senatore practiced law in South Florida and served as an assistant U.S. Attorney in the Southern District of Florida, including service as chief of that office’s Public Corruption Section.

Mr. Senatore received a bachelor of arts degree in economics from Williams College and earned a J.D. from the University of Chicago Law School.

Mr. Senatore is currently chair-elect of the Board of Directors of the National Society of Compliance Professionals and serves on the SIFMA Self-Regulation and Supervisory Practices Committee, the FINRA Compliance Advisory Committee and the ICI Chief Compliance Officer Committee. He served previously as a member and chair of both the FINRA District 10 Committee and District 10 Nominating Committee, as well as an adjunct professor of Securities Regulation at the University of Miami Law School.

FINRA Nominee for Mid-Size Firm NAC Member Seat

James H. Williams is the president and owner of Financial Telesis Inc., a broker-dealer and registered investment advisory firm based in San Rafael, California. Financial Telesis Inc. has been a broker-dealer since 1992 and currently has more than 300 registered representatives and advisors specializing in mutual fund, group annuities and variable products. The firm is composed of both retail-based representatives and representatives that specialize in retirement plan services. Mr. Williams is a C.P.A. and has over 25 years experience in the securities industry as a CFO, CCO, FINOP and owner. He is currently registered as a Financial Operations Principal for more than 10 FINRA-registered firms.

Mr. Williams began his securities career in 1985 as the CFO, CCO and FINOP for Planned Investments Inc., a general securities firm located in San Francisco. In 1988, he became the Senior VP, CFO and CCO for Grigsby Brandford, a municipal bond underwriting firm in San Francisco with branch offices in many major cities across the country. Mr. Williams has an undergraduate degree from the University of Maryland.

Mr. Williams was elected to the FINRA District 1 Committee in 2006 and became chairman for the 2009-2010 term. He is a past president of the Board of Directors, San Francisco Chapter IAFP, and past treasurer for the National Association of Independent Broker Dealers (NAIBD), a non-profit broker-dealer industry association.

ATTACHMENT B - NAC Election Candidate Profile Form

An electronic version of this form also is available at www.finra.org/notices/election/073010.

Indicate the position for which you wish to be considered:

☐ Large Firm NAC Member **OR** ☐ Mid-Size Firm NAC Member

Current Registration

Name: _____ CRD #: _____
Firm Name: _____ 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
- ☐ Corporate Finance
- ☐ Financial/Operational
- ☐ Institutional Sales
- ☐ Investment Advisory
- ☐ Retail Sales
- ☐ Trading/Market Making
- ☐ Other

Product Expertise

(please check all that apply)

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

Memberships/Positions in Trade or Business Organizations

Past FINRA or NASD 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: _____

Return the completed candidate profile form to Marcia Asquith via fax at (202) 728-8075 or email at CorporateSecretary@finra.org.