

Election Notice

FINRA Small Firm Advisory Board Election

Executive Summary

The purpose of this *Notice* is to inform FINRA Small Firm members¹ of the upcoming Small Firm Advisory Board (SFAB) election. One seat on the SFAB is up for election: the New York Region seat.

The SFAB provides guidance to FINRA staff, particularly regarding the potential impact of proposed regulatory initiatives on FINRA's small firms, and meets five times a year in Washington, DC, prior to each FINRA Board of Governors meeting. SFAB members are expected to attend SFAB meetings in person, and may be requested to attend certain regional, district and other FINRA meetings. Potential candidates should ensure that their other commitments will allow for their in-person attendance at all SFAB meetings.

Any eligible candidate wishing to have their name added to the ballot must submit the relevant information via a candidate profile form to the Corporate Secretary of FINRA no later than Friday, **October 1, 2010**. The candidate profile form is available online at www.finra.org/notices/election/090310 and as an attachment to this *Notice*.

On or about Friday, October 21, 2010, FINRA will mail the official *Election Notice* and ballots to the executive representatives of small firms in the New York Region to elect their regional representative on the SFAB. Voting will conclude in November 2010 and new members will take office in January 2011.

Questions regarding this *Notice* may be directed to:

- Marcia E. Asquith, Senior Vice President and Corporate Secretary, at (202) 728-8949;
- T. Grant Callery, Executive Vice President and General Counsel (Corporate), at (202) 728-8285; or
- Chip Jones, Senior Vice President, Member Relations, at (240) 386-4797.

September 3, 2010

Suggested Routing

- Executive Representatives
- Senior Management

Composition of the FINRA Small Firm Advisory Board

The SFAB comprises 10 members:

- 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.

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 mentioned above, the New York Region seat on the SFAB is up for election.

Candidate Eligibility

Any senior member of a Small Firm whose primary place of business and who's firm has its main office in the New York region (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, FINOPs, chief executive officers, presidents, chief compliance officers, chief operating officers or individuals of comparable status. Eligible individuals must complete a candidate profile form³ 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.

The Corporate Secretary of FINRA must receive SFAB candidate profiles for the upcoming election no later than Friday, October 1, 2010.

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 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®. Only those firms eligible to vote for the New York Region seat will receive ballots. The size of each firm and the location of each firm's main office will be verified on the day the ballots are mailed.

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 and will be elected to serve a three-year term.

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 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

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 Firm members. In order to be eligible to serve, a Small Firm Governor must be registered with a FINRA small firm and must be an Industry Governor. *See* Article I (xx) of the FINRA By-Laws.
- 3 The SFAB candidate profile form is available at www.finra.org/notices/election/090310 and as an attachment to this *Notice*.
- 4 The composition of the SFAB was revised in 2008, and in order to maintain continuity on the SFAB, three-year terms were phased in at that time. The individuals initially seated as the North Region and West Region SFAB Representatives were elected to two-year terms and the individuals initially seated as the Midwest and South SFAB Representatives were elected to one-year terms and therefore, were eligible for re-election. The incumbent New York region representative served a full three-year elected term on the SFAB and is ineligible to run for reelection to the SFAB for another three years.

ATTACHMENT - Candidate Profile Form

An electronic version of this candidate profile form also is available at www.finra.org/notices/election/090310.

Name: _____ CRD#: _____
(as you would like it to appear on official correspondence)

Current Registration

Firm Name _____ Firm #: _____
 FINRA District No.: _____ Number of Registered Representatives 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
- ☐ 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 Held in Trade or Business Organizations

Provide a brief biography or summary of your qualifications to serve as an SFAB member. You may want to consider including your employment experience, service on other industry-related boards and committees, etc. (No more than 250 words.)

Provide a statement of why you are running for an SFAB seat and why firms should vote for you to represent them on the SFAB. (No more than 250 words)

Return the form by fax to: (202) 728-8075 or by email to: CorporateSecretary@finra.org.