

# Election Notice

## Small Firm Advisory Board

### Notice of SFAB Election and Ballots

#### Executive Summary

The purpose of this *Notice* is to distribute to eligible FINRA small firm members<sup>1</sup> the ballot to elect the New York Region member of the Small Firm Advisory Board (SFAB).

FINRA small firms in the New York Region as of the close of business on October 20, 2010, are eligible to vote for one of the candidates. Firms are urged to vote in the election of SFAB members.

**Ballots are due by Friday, November 19, 2010**, and the newly elected SFAB member will take office in January 2011. Attachment A lists the candidates certified by the Corporate Secretary of FINRA as satisfying requirements for the regional SFAB seat. Information about each candidate is available at [www.finra.org/sfab/candidateprofiles](http://www.finra.org/sfab/candidateprofiles).

Questions regarding this *Election 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.

#### SFAB Election

Composition of the FINRA Small Firm Advisory Board

The SFAB comprises ten members, as follows:

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

October 21, 2010

#### Suggested Routing

- Executive Representatives
- Senior Management

Additionally, the Small Firm Governors<sup>2</sup> of the FINRA Board 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 is currently up for election.

## Candidate Eligibility

Any senior member of a small firm whose primary place of business and whose firm has its main office in the New York region (as indicated in FINRA records) was eligible to have his or her name placed on the ballot for this election. SFAB members must also continue to meet their qualifications for election at all times during their terms of office.

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](http://www.finra.org/sfab/candidateprofiles).

## 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 re-election to the SFAB for another three years.<sup>3</sup>

## Voting Eligibility

As mentioned above, 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®.

Ballots have been mailed, along with a copy of this *Notice*, to the executive representatives of small firms in the New York region to elect the New York Region Representative. Firms may vote for only one candidate listed on the ballot.

## Voting Methods

Firms will be able to vote by telephone, the Internet or 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, November 19, 2010.

## 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 (vv) 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 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 re-election to the SFAB for another three years.

## ATTACHMENT A

### SFAB Candidates for the New York Region Seat

|                          |                                                                                          |
|--------------------------|------------------------------------------------------------------------------------------|
| <b>Steven Jafarzadeh</b> | Stonehaven, LLC<br>Chief Compliance Officer                                              |
| <b>David J. Laubach</b>  | Scarsdale Equities LLC<br>Chief Compliance Officer                                       |
| <b>Miriam Lefkowitz</b>  | Shufro, Rose & Co., LLC<br>General Counsel                                               |
| <b>Douglas Preston</b>   | Merrill Lynch Professional Clearing Corp.<br>Senior Vice President, Compliance Executive |
| <b>David V. Shields</b>  | Wellington Shields & Co., LLC<br>Vice Chairman                                           |