Election Notice

FINRA Small Firm Advisory Board Election

September 7, 2011

Suggested Routing

- Executive Representatives
- Senior Management

Executive Summary

The purpose of this Notice is to inform FINRA Small Firm members[1] of the upcoming Small Firm Advisory Board (SFAB) election. Two seats on the SFAB are up for election: the Midwest and South Region seats.

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 primarily 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 the candidate profile form to the Corporate Secretary of FINRA no later than Friday, October 7, 2011. The candidate profile form is available online at *www.finra.org/Notices/SFABElection/090711* and as an attachment to this *Notice*.

On or about Wednesday, October 19, 2011, FINRA will mail the official *Election Notice* and ballots to the executive representatives of small firms in the Midwest and South Regions to elect their regional representatives on the SFAB. Voting will conclude in November 2011 and new members will take office in January 2012.

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

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

Financial Industry Regulatory Authority

Composition of the FINRA Small Firm Advisory Board

The SFAB comprises 10 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.

Additionally, the FINRA Board's Small Firm Governors[2] 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, two seats on the SFAB are up for election: the Midwest and South Region seats.

Candidate Eligibility

Any senior member 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 region is eligible to have his or her name placed on the SFAB ballot for that region. Senior members of firms include owners, chief executive officers, presidents, chief compliance officers, chief operating officers, the firm's FINOP or individuals of comparable status. Eligible individuals must complete the attached SFAB candidate profile form[3] 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.

SFAB candidate profiles for the upcoming election must be received by the Corporate Secretary of FINRA no later than Friday, October 10, 2011.

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 relevant region's 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 Midwest or South 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.

Endnotes

1. A Small Firm is defined as a 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 member that is a Small Firm and must be an Industry Governor. See Article I (xx) of the FINRA By-Laws.
3. The SFAB candidate profile form is also available at *www.finra.org/Notices/SFABElection/090711*.

Attachment A
Candidate Nomination and Profile Form—SFAB Election

Please complete all sections and email this document to *CorporateSecretary@finra.org*. An electronic version of this form is also available at *www.finra.org/Notices/SFABElection/090711*.

Name: ______________________________ CRD#: ______________

(As you would like it to appear on official correspondence)

Current Registration

Firm Name: ______________________ Firm #: ______________________

FINRA District No.: ______________________ Number of Registered Reps. at Firm: ______________

Title/Primary Responsibility: ______________________________

Address

Street Address: ______________________________ Suite/Floor: ______________

City: ______________________________ State: ______________

Email: ______________________________

Phone: ______________________________

SFAB Seat Sought

☐ **Midwest Region**

- Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin (Districts 4 and 8) Eligibility (Check all that apply)

☐ **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)

Eligibility Checklist (must meet all three)

1. Senior member of a small firm;

- Senior members include owners, chief executive officers, presidents, chief compliance officers, chief operating officers, the firm's FINOP, or individuals of comparable status.

2. Firm's main office is in the Midwest or South Region

- Location of firm's main office: ______________________________

3. Your primary place of business is in the same region as the firm's main office.

To be displayed on the FINRA election Web page:

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 votefor you to represent them on the SFAB. (No more than 250 words.)