

# Election Notice

## Notice of Annual Meeting of FINRA Firms and Proxy

### Summary

FINRA will conduct its annual meeting of firms on Tuesday, August 22, 2017, at 10 a.m. Eastern Time in the FINRA Visitors Center, 1735 K Street, NW, in Washington, D.C. The purpose of the meeting is to elect individuals to fill one small firm and one large firm seat on the FINRA Board of Governors (FINRA Board).<sup>1</sup>

It is important that all eligible large and small firms be represented by proxy or in person at the Annual Meeting. Firms are urged to vote using one of the methods described below. In order for a proxy to be considered valid, it must be signed by the executive representative of the small or large firm eligible to vote in the election.

Small and large firms that are members of FINRA as of the close of business on Thursday, July 20, 2017 (the Annual Meeting record date), are eligible to vote.

**Note:** This *Notice* was mailed and sent electronically to the executive representative of each FINRA member firm. It is also posted on FINRA's website at [www.finra.org/notices/election/072117](http://www.finra.org/notices/election/072117).

Questions regarding this *Notice* may be directed to:

- ▶ Marcia E. Asquith, Executive Vice President, Board and External Relations, at (202) 728-8949; or
- ▶ Jennifer Piorko Mitchell, Vice President, Corporate Governance, at (202) 728-8949.

**July 21, 2017**

### Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

## Election of Governors

*Election Notice 5/23/17* previously announced the two upcoming vacancies on the FINRA Board, FINRA's nominee and the process by which interested individuals could seek petitions in support of their nomination to be included on the proxy.<sup>2</sup>

Below is the list of candidates who were either nominated by the Nominating Committee or submitted the requisite number of petitions in support of their nomination and have been certified by the Corporate Secretary of FINRA as satisfying the classification of the governorship to be filled.

### Large Firm Governor Candidates

FINRA Nominating Committee Nominee	• Stephen M. Cutler, Executive Vice President and Vice Chairman of JPMorgan Chase & Co
Nominees by Petition <sup>3</sup>	None

### Small Firm Governor Candidates

FINRA Nominating Committee Nominee <sup>4</sup>	None
Nominees by Petition	<ul style="list-style-type: none"><li>• Mark W. Cresap III, President, Cresap, Inc.</li><li>• Stephen A. Kohn, President/CEO, Stephen A. Kohn &amp; Associates, Ltd.</li><li>• Jim R. Webb, CEO, Cape Securities, Inc.</li></ul>

Attachment A includes the profiles of the Small Firm Governor candidates; Attachment B, the Large Firm Governor candidate.

## Term of Office

Governors are appointed or elected to three-year terms. Governors may not serve more than two consecutive terms.<sup>5</sup>

In order for the Board to maintain compliance with the compositional requirements of the FINRA By-Laws, elected Board members have a continuing obligation to satisfy the firm-size classification throughout the entire term for which the governor is elected. The By-Laws expressly provide that the term of office of a governor shall terminate immediately upon a determination by the Board, by a majority vote of the remaining governors, that the governor no longer satisfies the classification for which the governor was elected and the governor's continued service would violate the compositional requirements of the Board set forth in the FINRA By-Laws.

## Voting Eligibility

FINRA firms are eligible to vote for the nominees who are running for seats that are in the same size category as their own firm. Therefore, the large and small firms registered with FINRA as of the close of business on Thursday, July 20, 2017, will receive a proxy card listing the candidates running for the seat that is the same size category as their own firm.

A proxy listing the candidates for election as a small firm governor was mailed to the executive representative of each eligible small firm along with a copy of this *Notice*. A proxy listing the candidate for election as a large firm governor was mailed to the executive representative of each eligible large firm along with a copy of this *Notice*.

## Voting Methods

Firms will be able to submit a proxy by any lawful means, including using any of the following methods:

- ▶ telephone;
- ▶ U.S. mail; or
- ▶ Internet.

Alternatively, firms may attend the Annual Meeting and vote in person. The proxy mailed to each eligible firm contains detailed instructions on the proxy submission procedures.

For purposes of the election of a small firm governor, a quorum must be met in the small firm-size category. For purposes of the election of a large firm governor, a quorum must be met in the large firm-size category. Therefore, as mentioned above, it is important that all eligible large and small firms be represented at the annual meeting. Following receipt of this *Notice* and proxy, executive representatives of large and small firms may receive telephone reminders during the election period. This will ensure that FINRA receives sufficient proxies to satisfy the annual meeting quorum requirements, as well as to ensure broad participation in the election by all firms that are eligible to vote.

## Revocation of Proxies

If you have given a revocable proxy pursuant to a proxy card distributed by FINRA or otherwise in the manner described herein, you may nonetheless revoke your proxy by attending the annual meeting and voting in person. In addition, you may revoke any such proxy you give at any time before the annual meeting by delivering to FINRA's Corporate Secretary a written statement revoking it or by duly delivering another proxy at a later time. Your attendance at the annual meeting will not in and of itself constitute a revocation of your proxy.

## Voting Instructions

The named proxies shall vote as instructed by the FINRA firm. In the absence of a direction with respect to the election, any duly delivered proxy will not be counted in determining the outcome of the election, but will be counted in determining the presence of a quorum at the annual meeting. In their discretion, the named proxies will be authorized to vote upon all such other matters as may properly come before the annual meeting or any adjournment or postponement thereof.

## New Appointed Governors

At the July 2017 meetings, the Nominating Committee nominated and the Board made a number of appointments to the Board that become effective as of the Annual Meeting. Governor Kathleen A. Murphy, President of Fidelity Personal Investing, was appointed to succeed Governor John. J. Brennan as the Investment Company Affiliate on the Board. Amy L. Webber, President of Cambridge Investment Research, Inc., was appointed to succeed Governor Murphy as the Independent Dealer/Insurance Affiliate Governor.

In addition, the following four governors were appointed to second terms that begin as of the annual meeting.

### **Public Governors**

- Joshua S. Levine, Managing Director of Kita Capital Management
- Elisse B. Walter, Former Commissioner and Chairman of the U.S. Securities and Exchange Commission
- Susan Wolburgh Jenah, Former President and CEO of the Investment Industry Regulatory Organization of Canada

### **Floor Member Representative Governor**

- Joseph M. Mecane, Managing Director and Head of Equities Electronic Trading at Barclays

In addition, FINRA previously announced the appointment of William H. Heyman as a new FINRA Public Governor and his election to succeed John. J. Brennan as Chairman of the Board. Mr. Heyman began his term on the FINRA Board on July 18, 2017.

Attachment C includes profiles of the appointed Governors listed above.

## Endnotes

1. To be eligible to serve, Small Firm Governors must be registered with a small firm and Large Firm Governors must be registered with a large firm. *See* FINRA By-Laws, Article I(z) and (xx). Pursuant to Article I of FINRA's By-Laws, a small firm is defined as a firm that employs between one and 150 registered persons and a large firm is a firm that employs at least 500 registered persons.
2. A person who has not been nominated may be included on the ballot for the election if he or she timely presents the requisite number of petitions in support of his or her nomination. *See* FINRA By-Laws, Article VII, Section 10.
3. No individuals submitted petitions in support of their nomination for the Large Firm Governor seat.
4. With respect to the Small Firm Governor seat, the Nominating Committee did not nominate a candidate for this election. Instead, all candidates qualified by obtaining the requisite number of valid petitions to be included on the small firm proxy.
5. *See* Article VII, Section 5. If a governor is elected or appointed to fill a vacancy for a term of less than one year, the governor may serve up to two consecutive terms following the expiration of the governor's initial term. *Id.*

## Attachment A: Profiles of Small Firm Governor Candidates

- ▶ **Mark W. Cresap, III**, President, Cresap, Inc.
- ▶ **Stephen A. Kohn**, President/CEO, Stephen A. Kohn & Associates, Ltd.
- ▶ **Jim R. Webb**, CEO, Cape Securities, Inc.

### **Mark W. Cresap, III, President, Cresap, Inc.**

Mark Cresap founded Cresap Inc. in 1990 and is 100 percent owner. The firm is also an SEC registered investment advisor. Mr. Cresap began his career in 1975 at W.H. Newbolds in Philadelphia, moved to CIGNA Securities in Hartford, CT, then became President of PML Securities, the broker-dealer subsidiary of Provident Mutual Insurance of Philadelphia, where he was responsible for 1,500 registered representatives. At PML Securities in the mid 1980s, he established one of the earliest clearing arrangements between an insurance affiliated broker-dealer and a clearing firm.

Mr. Cresap has been involved in securities regulation for 20 years as chair of the NASD District Business Committee, chair of the NASD District Nominating Committee and chair of the FINRA Small Firm Advisory Board. He currently serves on the FINRA Board of Governors where he is on the Regulatory Policy Committee, the Nominating Committee and the Regulatory Operations Oversight Committee.

In addition to his securities industry experience, Mr. Cresap was president of a large non-profit organization in the Philadelphia area where he guided the development of a \$20 million facilities expansion plan that is currently being implemented.

He holds FINRA principal licenses for General Securities, Options, Financial Operations and Municipals. He graduated from Williams College in 1974.

### **Stephen A. Kohn, President/CEO, Stephen A. Kohn & Associates, Ltd.**

Stephen Kohn has been employed in the financial services industry since 1984, to which he has devoted most of his working life. Founded in 1996, Mr. Kohn owns and operates a FINRA small member firm, Stephen A. Kohn & Associates, Ltd. (SAKL) located in Lakewood, Colorado. SAKL is a small, full service, independent broker-dealer and RIA, catering to the needs of 28 independent representatives and their clients, with office locations in seven states, registered in thirty-five.

Mr. Kohn has been twice elected to the National Adjudicatory Council (NAC) by FINRA's small firms, first in 2009 and again in 2014. He currently serves on the NAC, as one of two small firm members. The NAC is FINRA's appellate division, hearing appeals to enforcement decisions and other issues.

Mr. Kohn, in addition to serving on many pre-full NAC case appeals, also serves on the NAC's Sanction Guideline Review Sub-Committee as its only small firm member. This sub-committee has been convened to review the sanction guidelines, ensuring that sanctions in appeals that are upheld by the NAC are fair and appropriate and to recommend revisions to the Sanction Guidelines as needed. He is also an industry arbitrator and currently serves on the District 3 Committee.

In his more than three decades in the securities industry, Mr. Kohn has been employed at a plethora of both large and small firms, as well as his own. Of all the firms at which he has been employed, only two are still in business and one of them is Stephen A. Kohn & Associates, Ltd.

Mr. Kohn holds the following securities licenses: Series, 7, 24, 53, 63, 72, 73, 79 and 99.

He graduated from C.W. Post College of Long Island University in 1964 with a BA degree.

He has also served in the U.S. Coast Guard.

### **Jim R. Webb, CEO, Cape Securities, Inc.**

Jim Webb began his career in 1990 as a financial planner and has continued to grow in the evolving industry. For 14 years of his 27 years, he worked for several fund and annuity companies as their regional wholesaler. In that time, he met with thousands of brokers and 100s of broker-dealers and was a valued partner in their growth. Jim's leadership skills, passion for improved services for his clients and reputation as a problem solver all contributed to his success as a wholesaler.

In 2007, Jim became the owner of Cape Securities, Incorporated. Intent on overcoming the challenges of growing a FINRA compliant small firm, Jim determined that being actively involved in understanding and advocating on regulatory matters and forming strong networking relationships with other small member firms and FINRA was essential for the success and growth of his company. By his steady and enthusiastic joint commitment to his individual business interest and members of the industry as a whole, Cape has grown over the past ten years from a tiny firm with just two financial advisors into a firm with just under 100 representatives serving customers nationwide.

As a member of the District 7 Committee and Regulatory Advisory Committee (RAC), Jim has applied a practical and common-sense approach to balancing the needs of regulators, with the challenges faced by a small firm. Jim enjoys productive interaction with other FINRA members and staff in seeking solutions to problems that face the industry nationwide, he sought to serve and has served, both past and present.

Jim has served as a panelist and speaker at many FINRA regional and national meetings. Topics covered include: How a small firm can best use social media, Changes in business and how to best consult the CMA/MAP groups and Outside Business activities, among others.

He currently holds Series 4, 7, 8, 24, 28, 63 and 66 Securities Registrations and insurance licenses. While building his broker-dealer, he created an insurance agency and a SEC-registered investment advisory to provide clients a true financial concierge.

## Attachment B: Profile of Large Firm Governor Candidate

### Stephen M. Cutler, Executive Vice President and Vice Chairman of JPMorgan Chase & Co.

Mr. Cutler joined the company in 2007 and served as its General Counsel for nearly nine years. Previously, he was a partner at Wilmer Cutler Pickering Hale and Dorr LLP in Washington, D.C., and co-chair of the firm's Securities Department. From 2001 to 2005, Mr. Cutler served as Director of the Securities and Exchange Commission's Division of Enforcement, where he oversaw the Commission's investigations of Enron and WorldCom, as well as those involving NYSE specialists, research analyst conflicts and mutual fund market timing and revenue sharing. Before joining the SEC as Deputy Director of Enforcement in 1999, Mr. Cutler was a partner at Wilmer Cutler & Pickering in Washington, D.C. Mr. Cutler is a 1985 graduate of Yale Law School, where he served as an editor of the Yale Law Journal, and a 1982 graduate (summa cum laude) of Yale University. He is on the boards of the Legal Action Center, the National Women's Law Center and the Metropolitan Museum of Art, and for the last two years, has served as a Visiting Lecturer and co-taught a course at Yale Law School.

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## Attachment C: Profiles of Appointed Governors

- ▶ **William H. Heyman**, Vice Chairman and Chief Investment Officer of Travelers
- ▶ **Joshua S. Levine**, Managing Director of Kita Capital Management
- ▶ **Joseph M. Mecane**, Managing Director and Head of Equities Electronic Trading at Barclays
- ▶ **Kathleen A. Murphy**, President of Fidelity Personal Investing
- ▶ **Elisse B. Walter**, Former Commissioner and Chairman of the U.S. Securities and Exchange Commission
- ▶ **Amy L. Webber**, President of Cambridge Investment Research, Inc.
- ▶ **Susan Wolburgh Jenah**, Former President and CEO of the Investment Industry Regulatory Organization of Canada

### William H. Heyman, Vice Chairman and Chief Investment Officer of Travelers

William H. ("Bill") Heyman is Vice Chairman and Chief Investment Officer for Travelers, a position he has held since May 2005. He was Executive Vice President and Chief Investment Officer at Travelers and The St. Paul Companies, which he joined in May 2002 from Citigroup, where he was Chairman of Citigroup Investments. He was previously a Managing Director of Salomon Brothers and Director of Market Regulation at the Securities and Exchange Commission.

Mr. Heyman began his career in the securities business in 1979, when he co-founded Mercury Securities, a broker-dealer specializing in merger arbitrage of which he was the Chief Operating Officer for nine years. Prior to that, he was a securities lawyer, principally with Cravath, Swaine & Moore.

Mr. Heyman graduated from Princeton University, where he was elected to Phi Beta Kappa, and Harvard Law School. He was a member of the Board of Governors of the Financial Regulatory Authority (FINRA) and NASD from 2004 to 2016. He is on the Advisory Board of the Bendheim Center for Finance at Princeton University and the Council on Foreign Relations. Mr. Heyman was appointed by President George W. Bush in 2007 as a director of the Securities Investor Protection Corporation (SIPC), where he served for four years.

### **Joshua S. Levine, Managing Director of Kita Capital Management**

Joshua S. Levine is a Managing Director of Kita Capital Management, a private investment firm providing technology investment, operations, research and advice. Kita Capital has made 17 portfolio investments since 2006. Mr. Levine has had a long career in financial services technology. He was with Morgan Stanley from 1985-1997, elected Managing Director in 1993, and was a Managing Director at Deutsche Bank from 1997-1999. He then joined the nascent online stock broker E\*TRADE as the Chief Technology and Operations Officer, where he re-architected not only their technologies by moving to open source but also by transforming the team of over 500 engineers to rapid development, producing more, high quality product in the process. He also managed brokerage operations and customer service of over 1,500 representatives. From 2007-2011 he was the CEO of ESP Technologies, a broker/dealer providing execution and back office services for asset managers. It ultimately sold to Investment Technology Group (ITG).

Mr. Levine is co-author of, "Application Systems in APL", published by Prentice-Hall in 1985. He is a graduate of the Bronx High School of Science and dropped out of Syracuse University to pursue a career in the emerging computing industry. Mr. Levine has held FINRA license Series 7, 63 and 24. He has received many industry awards including a SxSW People's Choice award, two CLIO awards for best design and best interactive, a "Webby" for the best banking and bill pay, a "Stevie" (American Business Award) for best technology team, InfoWorld's "Top 25 most influential CTO's", CIO magazine's "CIO 100", and CIO Forum's "Top 20 financial IT executives. Mr. Levine was also a finalist for the 2009 Ernst & Young Entrepreneur of the Year.

### **Joseph M. Mecane, Managing Director and Head of Equities Electronic Trading at Barclays**

Joseph M. Mecane will be joining Citadel Securities in September as the Head of Execution Services, where he will lead Citadel's client-facing equity, options and ETF businesses. Mr. Mecane joined Barclays in 2014, as Managing Director and Head of Equities Electronic Trading responsible for the development of the firm's equities electronic trading product offering.

Prior to joining Barclays, Mr. Mecane was Executive Vice President of the New York Stock Exchange (NYSE) and Head of US Equities for the NYSE at Intercontinental Exchange Group. Previously, he held various roles at the UBS Investment Bank, Charles Schwab, Knight Trading Group and PricewaterhouseCoopers.

Mr. Mecane is a member of the Securities and Exchange Commission's recently formed Equity Market Structure Advisory Committee, a Member of the FINRA Board of Governors, a Director on the BATS Exchange Board, serves on the Board of Directors of BIDS Trading and is Chair of the IEX Quality of Markets Committee. He also serves on the Wall Street Committee of the St. Jude Children's Research Hospital and is a member of the National Organization of Investment Professionals (NOIP)

He holds an MBA from The Wharton School, University of Pennsylvania and bachelor's degree from Pace University. He holds Series 4, 7, 24, 27, 55 and 63 certifications and is a Certified Public Accountant.

### **Kathleen A. Murphy, President of Fidelity Personal Investing**

Kathleen A. Murphy is president of Personal Investing, a Fidelity Investments company that provides retail brokerage, mutual funds, managed accounts, annuities and other financial products and services to millions of individual investors. Ms. Murphy is also responsible for Fidelity's life insurance and annuities business, its workplace savings business for tax-exempt organizations, all of the firm's brand and advertising programs, its online strategies through Fidelity.com, and Fidelity's mobile device applications. Ms. Murphy, a 25-year industry veteran, oversees a business with more than \$1.7 trillion in client assets under administration, more than 16 million customer accounts and over 13,000 employees. Her business is the nation's No.1 provider of individual retirement accounts (IRAs), one of the largest brokerage businesses, one of the largest providers of mutual fund managed account programs, and one of the leading providers of college savings plans. Prior to joining Fidelity, Ms. Murphy was CEO of ING U.S. Wealth Management, leading the Defined Contribution, Defined Benefit, Retirement Solutions, Annuities, and ING Advisors Network businesses.

Ms. Murphy began her career with Aetna, spending 15 years in a variety of legal and government affairs positions, eventually serving as general counsel and chief compliance officer, Aetna Financial Services. Ms. Murphy received her Bachelor of Arts degree, summa cum laude, in economics and political science from Fairfield University in 1984. She earned her juris doctorate with highest honors from the University of Connecticut in 1987. Ms. Murphy sits on the Board of Directors of America's Promise Alliance and the National Football Foundation. Ms. Murphy has repeatedly been named one of the "50 Most Powerful Women in American Business" by Fortune magazine, one of the "Wall Street Top 50" and "Business 100" by Irish America magazine and named as one of the "25 Most Powerful Women in Finance" by US Banker, among other honors.

### **Elisse B. Walter, Former Commissioner and Chairman of the U.S. Securities and Exchange Commission**

Elisse B. Walter was appointed commissioner of the Securities and Exchange Commission (SEC) by President George W. Bush and was sworn in on July 9, 2008. She was later designated the 30th chairman of the SEC by President Barack Obama, and she served as the agency's leader from December 2012 to April 2013. She served as acting chairman in January 2009.

Prior to her appointment as an SEC commissioner, Ms. Walter served as senior executive vice president, Regulatory Policy & Programs, for FINRA. She held the same position at NASD before its 2007 consolidation with NYSE Member Regulation. Ms. Walter coordinated policy issues across FINRA and oversaw a number of departments including Investment Company Regulation, Member Education and Training, Investor Education and Emerging Regulatory Issues. She also served on the board of directors of the FINRA Investor Education Foundation.

Prior to joining NASD, Ms. Walter served as the general counsel of the Commodity Futures Trading Commission. Before joining the CFTC in 1994, Ms. Walter was the deputy director of the Division of Corporation Finance of the Securities and Exchange Commission. She served on the SEC's staff beginning in 1977, both in that division and in the Office of the General Counsel. Before joining the SEC, Ms. Walter was an attorney with a private law firm.

Ms. Walter is a director of Occidental Petroleum Corporation, SASB and the National Women's Law Center; a member of the Academy of Women Achievers of the YWCA of the City of New York; and a member of the inaugural class of the ABA's DirectWomen Institute. She also has received, among other honors, the Presidential Rank Award (Distinguished), the ASECA William O. Douglas Award, the SEC Chairman's Award for Excellence, the SEC's Distinguished Service Award, and the Federal Bar Association's Philip Loomis and Manuel F. Cohen Younger Lawyer Awards. She graduated from Yale University with a B.A., cum laude, in mathematics and received her J.D. degree, cum laude, from Harvard Law School.

### **Amy L. Webber, President of Cambridge Investment Research, Inc.**

Amy Lynn Webber has over 25 years of industry experience. Ms. Webber is the President and a Director of Cambridge Investment Research, Inc. She also serves as the President, Chief Operating Officer and Secretary of Cambridge Investment Research Advisors, Inc. She served as Chief Operating Officer of Cambridge Investment Research, Inc. until February 2014 and as Vice President of Operations of Cambridge Investment Research, Inc. from April 1998 to September 2000. Prior to joining Cambridge, she served as Founding Director of SunAmerica Securities, Inc.'s Customer Service Department and Archon Desk. She served as Operations Principal of Coordinated Capital Securities.

Ms. Webber is a member of the Financial Services Institute (FSI) Board of Directors, an advocacy organization for independent broker-dealers and their affiliated independent financial advisors. She previously served as Vice Chair in 2015 and Chair in 2016. In May 2012, Ms. Webber was recognized as a Member of the IA25 by Investment Advisor magazine and in 2011, 2010, and 2009 as one of the Top 50 in wealth management by Wealth Manager. She holds FINRA Series 79, 24, 6, 62, 63, and 99 licenses.

### **Susan Wolburgh Jenah, Former President and CEO of the Investment Industry Regulatory Organization of Canada**

Susan Wolburgh Jenah is a Senior Advisor, Corporate Finance and Capital Markets at Aird Berlis. She was the founding President and Chief Executive Officer of the Investment Industry Regulatory Organization of Canada (IIROC), a position she held until October 31, 2014. She was appointed President and CEO of the Investment Dealers Association of Canada (IDA) in June 2007 and led the merger of the IDA and RS to form IIROC in June 2008. Before joining the IDA, Susan worked in progressively senior capacities at the Ontario Securities Commission (OSC), including as Vice Chair and as Acting Chair. Prior to her appointment as Vice Chair, she served as General Counsel and Director of International Organization of Securities Commissions.

In addition to serving as a Public Governor on the FINRA Board, Ms. Wolburgh Jenah currently serves on a number of corporate and not-for-profit boards, including as Chair of the Aequitas NEO Exchange, a member of the Board of Directors of Laurentian Bank of Canada and Aecon Group Inc., a member of Board of the Humber River Hospital, and as a member of the Independent Review Committee of Vanguard Investments Canada. Ms. Wolburgh Jenah's previously boards and advisory council service includes: Chair of the International Forum for Investor Education (2012-14); member of the board of directors of the Institute of Corporate Directors (2004-11); and member of Canada's Accounting Standards Oversight Council (2004-07).

Ms. Wolburgh Jenah is a frequent speaker at various media events, conferences and seminars in Canada and abroad.

She obtained her BA at the University of Toronto and her JD from Osgoode Hall Law School. In June 2004, she received the ICD.D designation from the inaugural Directors Education Program jointly offered by the Rotman School of Business and the Institute of Corporate Directors.