

Election Notice

Notice of FINRA District Committee Elections and Ballots

Ballots Due: November 18, 2016

Executive Summary

The purpose of this *Notice* is to inform firms of the upcoming elections to fill vacancies on the FINRA District Committees and distribute ballots to the firms eligible to vote in these elections. Firms that are members of FINRA as of the close of business on Tuesday, October 18, 2016, are eligible to vote for the seat corresponding to their district and firm size.

Firms are urged to vote in this election using one of the methods described in this *Notice*. In order for a ballot to be considered valid, the executive representative of the firm eligible to vote in the election must sign it. **Ballots are due by Friday, November 18, 2016.**

The candidates running for election are listed in Attachment A to this *Notice*. Information about each candidate is available at www.finra.org/district/candidateprofiles.

The elected committee members will take office in January 2017.

A list of the current District Committee members is available at www.finra.org/districtcommittees.

Note: This *Notice* was distributed electronically to the executive representative of each FINRA member firm and is posted on FINRA's website.

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

- ▶ Marcia Asquith, Senior Vice President and Corporate Secretary, at (202) 728-8949, or via email to CorporateSecretary@finra.org;
- ▶ Jennifer Piorko Mitchell, Deputy Corporate Secretary, at (202) 728-8949, or via email to Jennifer.Mitchell@finra.org or
- ▶ Chip Jones, Senior Vice President, Member Relations and Education, at (240) 386-4797, or via email to Chip.Jones@finra.org.

October 19, 2016

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

Background

The FINRA District Committees serve an important role in the self-regulatory process by, among other things:

- ▶ serving on disciplinary panels in accordance with FINRA rules;
- ▶ alerting FINRA to industry trends that could present regulatory concerns; and
- ▶ consulting with FINRA on proposed policies and rule changes.

Committee members must have the experience, ability and commitment to fulfill these responsibilities, including:

- ▶ understanding the issues facing the securities industry and possessing the ability to apply knowledge and expertise to these issues to develop solutions;
- ▶ educating firms in their district on the responsibilities of FINRA;
- ▶ attending regularly and participating in a collegial manner in District Committee meetings; and
- ▶ remaining objective and unbiased, regardless of the interest of their firm, in the performance of District Committee matters.

Committee members also must adhere to the following prohibitions and restrictions:

- ▶ being sensitive to conflicts, such as those that can arise from firm-related work and service on industry committees, or as an expert witness, hearing panelist or arbitrator, and refraining from participating in a particular matter when a conflict exists;
- ▶ refraining from using membership on the District Committee for commercial purposes, for qualifying as an expert or suggesting special access to FINRA; and
- ▶ keeping sensitive, non-public or proprietary information confidential.

Candidate Nomination Process and Eligibility

All candidates who submitted their names and met the qualifications set forth in Article VIII, Section 8.2 of the FINRA Regulation By-Laws were included on the appropriate ballot.

Terms of District Committee Members and Vacancies

The full term for District Committee members is three years. There is no limit on the number of terms that a member of a District Committee may serve, except that a District Committee member may not serve two full terms consecutively. Terms of District Committee members will terminate if they do not remain eligible for the seat for which they were elected.

Those individuals elected or appointed in this election will serve three-year terms beginning on January 1, 2017.

Full-Term Vacancies

In this election, the District Committees for Districts 1, 2, 3, 4, 5, 6, 7, 8, 9 and 11 each have two full-term vacancies to fill: one representing a small firm seat and one representing a large firm seat.¹ District 10 has four full-term vacancies to fill: two representing small firm seats and two representing large firm seats. Firm size categories are:

- ▶ Small firm—a firm that employs at least one and no more than 150 registered persons.²
- ▶ Large firm—a firm that employs 500 or more registered persons.³

The individuals elected to fill the above vacancies will be elected to three-year terms expiring December 31, 2019.

Candidates

Only one eligible individual submitted his or her name for consideration for the following seats:

- ▶ District 1 Small Firm Representative
- ▶ District 4 Small Firm Representative
- ▶ District 10 Large Firm Representative⁴
- ▶ District 11 Small Firm Representative

Therefore, because the candidates for the above-listed seats are running unopposed, FINRA will not distribute ballots and the candidates will take office in January 2017.

FINRA will distribute ballots for the following seats for which more than one candidate qualified to be included on the ballot:

- ▶ District 2 Small Firm Representative
- ▶ District 2 Large Firm Representative
- ▶ District 3 Small Firm Representative
- ▶ District 3 Large Firm Representative
- ▶ District 4 Large Firm Representative
- ▶ District 5 Large Firm Representative
- ▶ District 6 Large Firm Representative
- ▶ District 7 Small Firm Representative
- ▶ District 7 Large Firm Representative
- ▶ District 8 Large Firm Representative
- ▶ District 9 Small Firm Representative
- ▶ District 10 Small Firm Representative⁵
- ▶ District 11 Large Firm Representative

Additionally, no candidates self-nominated for the seats listed below. Therefore, in accordance with the by-laws, FINRA will not distribute ballots for these positions and individuals will be appointed to fill the following seats:⁶

- ▶ District 1 Large Firm Representative
- ▶ District 5 Small Firm Representative
- ▶ District 6 Small Firm Representative
- ▶ District 8 Small Firm Representative
- ▶ District 9 Large Firm Representative

FINRA will announce these committee members once the appointments have been made.

Voting Eligibility

Firms that are members of FINRA as of the close of business on Tuesday, October 18, 2016, are eligible to vote for candidates running for the seat corresponding to their firm size in the district in which it has its principal office and in districts where it has one or more registered branch offices as indicated in the Central Registration Depository®. For example, a firm headquartered in Atlanta with one branch office in New Jersey and nine branch offices in Boston would have one vote in district 7, one vote in district 9 and one vote in district 11.

Ballots have been mailed, along with a copy of this *Notice*, to the executive representatives of those firms eligible to vote in this election. Detailed voting instructions are included on the ballots.

Voting Methods

Firms will be able to vote by telephone, the internet or by U.S. mail. The ballot sent to eligible firms contains detailed instructions on the submission procedures. **Ballots are due on Friday, November 18, 2016.**

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 the FINRA Contact System. This will ensure that important mailings, such as election information, are properly directed. A firm's failure to keep this information accurate may jeopardize the firm's ability to participate in elections.⁷

To update an executive representative name, mailing address and email address, firms may access the FINRA Contact System (FCS), via the Firm Gateway, at <https://firms.finra.org/fcs>. For assistance updating FCS, contact FINRA's Call Center at (301) 590-6500.

Endnotes

1. On May 4, 2011, the SEC approved amendments to FINRA Regulation's By-Laws to, among other things, adjust the size and composition of District Committees to align more closely with the industry representation on the FINRA Board of Governors and replace District Nominating Committees with a process of direct nomination and election based on firm size. *See Securities Exchange Act Release No. 64363 (April 28, 2011)*. The By-Law change adjusts the composition of the District Committees over a three-year transition period to align more closely with the industry representation by firm size on the Board of Governors. All District Committees except District 10 (New York) are adjusted from nine to seven members and District 10 is adjusted from 12 to 14 members.
2. *See Article I (jj) of the FINRA Regulation By-Laws.*
3. *See Article I (y) of the FINRA Regulation By-Laws.*
4. As previously mentioned, there are two Large Firm Representative full-term vacancies on the District 10 Committee. One will be filled by the candidate who submitted his or her name and the other vacancy will be filled by appointment.
5. As previously mentioned, there are two Small Firm Representative full-term vacancies on the District 10 Committee. Three eligible individuals submitted their name. The candidates receiving the first and second highest number of votes will fill the two seats.
6. *See Article VIII, Sec. 8.8 of the FINRA Regulation By-Laws.*
7. Pursuant to FINRA Rule 4517, 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 FINRA Rule 4517 and FINRA Regulatory Notice 07-42 (September 2007)*.

Attachment A—Candidates for District Committee Seats

Information about each candidate is available at www.finra.org/district/candidateprofiles.

District 1: *Northern California (the counties of Monterey, San Benito, Fresno and Inyo, and the remainder of the state north or west of such counties), northern Nevada (the counties of Esmeralda and Nye, and the remainder of the state north or west of such counties) and Hawaii*

Small Firm Representative Candidates

- Robert Yu Loo, President and CEO, Whitehall-Parker Securities, Inc.

Large Firm Representative Candidates

- None.

District 2: *Southern California (that part of the state south or east of the counties of Monterey, San Benito, Fresno and Inyo), southern Nevada (that part of the state south or east of the counties of Esmeralda and Nye) and the former U.S. Trust Territories*

Small Firm Representative Candidates

- Dave Banerjee, CPA, FINOP, Principal, CCO, CFO, Second Street Securities, Inc.
- Alan Carlisle, Chief Compliance Officer, FinTech Clearing, LLC
- Daniel Kilroy, Chief Financial Officer/Executive Vice President, Sorrento Pacific Financial LLC

Large Firm Representative Candidates

- Suzann LoCoco, Vice President Compliance, CUSO Financial Services, L.P.
- Patricia R. McCallop, Senior Vice President and Chief Compliance Officer, National Planning Corporation
- Robert Molinari, Chief Regulatory Affairs Officer/Compliance, Commonwealth Financial Network

District 3: *Alaska, Arizona, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington and Wyoming*

Small Firm Representative Candidates

- Stephen A. Kohn, President/CEO, Stephen A. Kohn & Associates, Ltd.
- Joanne M. Salisbury, Chief Compliance Officer, E.K. Riley Investments, LLC

Large Firm Representative Candidates

- Robert Gaines, Complex Manager, Morgan Stanley
- Kenneth Schindler, Chief Compliance Officer, GWFS Equities, Inc.

District 4: *Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota*

Small Firm Representative Candidate

- Matthew Rothchild, Compliance Officer, Advanced Advisor Group

Large Firm Representative Candidates

- Kelly Anderson, Compliance Director, RBC Capital Markets, LLC
- Patrick Dogan, Director—Capital Markets and Operations Compliance, Edward Jones
- Erik Karanik, Managing Director, Private Client Group, Wells Fargo Advisors
- Mark Thomas Lasswell, Senior Vice President/Chief Compliance Officer, Securities America, Inc.
- Seth Miller, General Counsel, SVP Risk Management, Cambridge Investment Research, Inc.

District 5: *Alabama, Arkansas, Louisiana, Mississippi, Oklahoma and Tennessee*

Small Firm Representative Candidates

- None.

Large Firm Representative Candidates

- Andrew Black, Complex Manager, Morgan Stanley
- Steve Youhn, Chief Compliance Officer, ProEquities

District 6: *Texas*

Small Firm Representative Candidates

- None.

Large Firm Representative Candidates

- Daniel Hughes, Complex Manager, Morgan Stanley
- Kelly R. Welker, Branch Manager, LPL Financial

District 7: *Florida, Georgia, North Carolina, Puerto Rico, Panama, South Carolina and the Virgin Islands*

Small Firm Representative Candidates

- Nathan Headrick, Chief Strategy Officer, Triloma Securities, LLC
- Sandro L. Ramos, CRCP, MD Global Compliance /AMLCO, Capital Guardian LLC
- Jim R. Webb, Chief Executive Officer and President, Cape Securities, Inc.

Large Firm Representative Candidates

- Mark Ettinger, 1st Vice President, Operations, INVEST Financial Corporation
- Joel Glasco, Managing Director—Market Manager, Wells Fargo Advisors, LLC
- Mark N. Lontchar Jr., Senior Vice President, Chief Compliance Officer, Raymond James Financial Services, Inc.
- Michael R. Stevenson, Business Development Manager, Lincoln Financial Securities Corporation
- Daniel Woodring, Senior Vice President and Chief Compliance Officer, PFS Investments, Inc.

District 8: *Illinois, Indiana, Kentucky, Michigan, Ohio and Wisconsin*

Small Firm Representative Candidates

- None.

Large Firm Representative Candidates

- Kevin Dailey, Regional Brokerage Manager—Wealth Brokerage Services, Wells Fargo Advisors, LLC
- Jeffry F. Freiburger, Managing Director/Chief Compliance Officer, Robert W. Baird & Co. Inc.
- Catherine Galgano, Complex Manager, Morgan Stanley
- Mark McNulty, Vice President Compliance, SII Investments, Inc.

District 9: *Delaware, the District of Columbia, Maryland, New Jersey and New York (except for the counties of Nassau and Suffolk, and the five boroughs of New York City), Pennsylvania, Virginia and West Virginia*

Small Firm Representative Candidates

- Miriam Lefkowitz, Chief Legal Officer, Summit Equities, Inc.
- Michelle Ross, Chief Compliance Officer, Lombard International Distributors Company
- Steven D. Trigili, Chief Compliance Officer, Garden State Securities, Inc.

Large Firm Representative Candidates

- None.

District 10: *New York (Nassau and Suffolk Counties, Bronx, Brooklyn, New York County, Queens and Staten Island)*

Small Firm Representative Candidates (two vacancies available)

- Steven Jafarzadeh, Managing Director and CCO, Stonehaven LLC
- Richard Ward, Chief Compliance Officer, Exotix USA
- Sue Zhou, General Counsel and Director of Compliance, WiseBanyan Securities LLC

Large Firm Representative Candidate

- John Weitzer, Managing Director, RBC Capital Markets, LLC

District 11: *Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont*

Small Firm Representative Candidate

- Nanette K. Chern, Chief Compliance Officer, Funds Distributor, LLC

Large Firm Representative Candidates

- Dennis P. Beirne, Chief Compliance Officer and Chief Operating Officer, People's Securities, Inc.
- John J. Denault, Regional Brokerage Manager, Wealth Brokerage Services, Wells Fargo Advisors, LLC
- Richard O'Brien, Chief Compliance Officer, National Financial Services, LLC
- Paul Tolley, Chief Compliance Officer, Commonwealth Financial Network.

