

Election Notice

NAC Election

FINRA Announces Nomination Process to Fill Upcoming Vacancies on the National Adjudicatory Council

Petitions for Candidacy Due: September 26, 2016

Executive Summary

The purpose of this *Election Notice* is to announce the nomination process to fill one Mid-size Firm vacancy and one Large Firm vacancy on the National Adjudicatory Council (NAC).

FINRA's Nominating and Governance Committee (Nominating Committee) nominated Evan Charkes for the Large Firm NAC seat and John Meegan for the Mid-size Firm NAC seat.

Eligible individuals may petition to have their name included on a ballot for election by following the procedure below.

Note: This *Notice* was distributed electronically to the executive representative of each FINRA member firm and it is posted on FINRA's website at www.finra.org/notices/election/081216. Executive representatives should circulate this *Notice* to their firms' branch managers.

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

- ▶ Marcia E. Asquith, Senior Vice President and Corporate Secretary, at (202) 728-8949; or
- ▶ Jennifer Piorko Mitchell, Deputy Corporate Secretary, at (202) 728-8949.

Background

The NAC is appointed by the FINRA Board of Governors to review all disciplinary decisions issued by FINRA hearing panels and presides over disciplinary matters that have been appealed to or called for review by the NAC. The NAC also reviews statutory disqualification matters, considers appeals of membership proceedings, exercises exemptive authority and acts in other proceedings as set forth in the Code of Procedure.

August 12, 2016

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

Composition of the NAC

The NAC comprises fifteen members—seven industry members and eight non-industry members.¹ The seven industry members of the NAC include two Small Firm, one Mid-size Firm, two Large Firm and two at-large Industry Members. Of the eight Non-Industry NAC Members, at least three are Public Members.

The Nominating Committee identifies candidates for all NAC seats, including the five industry member seats that are based on firm size.

Vacancies and Terms

The term of one Large Firm NAC Member and one Mid-size Firm NAC Member expire at the end of 2016 and will be filled with like members.² The successful candidates will serve three-year terms beginning in January 2017.

Nominees and Nomination Process

FINRA's Nominating and Governance Committee nominated the following individuals to fill the vacant Large Firm and Mid-size Firm NAC Member seats:

- ▶ **Nominee for Large Firm NAC Member:** Evan Charkes, Managing Director and Associate General Counsel, Bank of America Merrill Lynch
- ▶ **Nominee for Mid-size Firm NAC Member:** John Meegan, Executive Vice President and Chief Operating Officer, Hefren-Tillotson, Inc.

Profiles of the FINRA nominees are included in Attachment A.

Pursuant to Article VI, Section 6.2 of the FINRA Regulation By-Laws, a person who has not been nominated may be included on a ballot for an election to fill the open NAC seat if:

- a. within 45 days of the date of this *Election Notice*, such person presents to the Secretary of FINRA, in the case of petitions solely in support of such person, petitions in support of his or her nomination duly executed by three percent of the members entitled to vote (based on firm size classification) for such nominee's election or, in the case of petitions in support of more than one person, petitions in support of the nominations of such persons duly executed by ten percent of the members entitled to vote (based on firm size classification) for such nominees' election; and
- b. the Secretary certifies that the petitions are duly executed by the executive representatives of the requisite number of members entitled to vote for such nominee's/nominees' election, and the person(s) satisfies/satisfy the classification (Large Firm, Mid-size Firm or Small Firm) of the NAC seat to be filled, based on such information provided by the person(s) as is reasonably necessary to make the certification.

Firms may only endorse a petition candidate for an open seat that corresponds to the firm's size classification. No firm may endorse more than one such candidate.

Individuals interested in petitioning to become candidates must complete a candidate profile form (Attachment B) and submit it to FINRA's Corporate Secretary. Upon receipt of a candidate profile form, the Corporate Secretary will forward the interested individual a list of firms eligible to endorse a candidate for that seat (based on firm size classification).

Individuals submitting petitions must provide information sufficient for the Corporate Secretary to determine that the petitions are duly executed by the executive representatives of the requisite number of firms by **Monday, September 26, 2016**.

As of the close of business on Thursday, August 11, 2016, the number of FINRA mid-size firms was 198 and the number of large firms was 185.

Voting Eligibility

In the case of a contested election, firms are eligible to cast one vote for an industry candidate who is running for a seat that is in the same size category as their own firm. Therefore, mid-size firms may vote for a Mid-size Firm NAC candidate and large firms may vote for a Large Firm NAC Candidate. The size classification of each FINRA member firm will be verified on the day the ballots are mailed. All eligible firms will receive a ballot listing the candidates for the appropriate vacant seat.

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 FINRA's records. This will ensure that important mailings, such as election information, will be properly directed. A firm's failure to keep this information accurate may jeopardize the firm's ability to participate in elections.³

To update an executive representative's name, mailing address and email address, firms may access the FINRA Contact System, via the Firm Gateway at: <https://firms.finra.org/fcs>. For assistance updating information, please contact the FINRA Office of the Corporate Secretary at (202) 728-8949.

Endnotes

1. On June 17, 2016, the Securities and Exchange Commission approved a proposed rule change to amend the FINRA Regulation By-Laws, which included expanding the size of the NAC to 15 members and applying the requirement that the NAC have more Non-Industry Members than Industry Members. See Securities Exchange Act Release No. 78094 (June 17, 2016), 81 FR 40932 (June 23, 2016) (Order Approving Proposed Rule Change Relating to Composition, Terms of Members and Election Procedures for the National Adjudicatory Council; File No. SR-FINRA-2016-14). Accordingly, FINRA added one Non-Industry Member to the NAC, increasing its size to 15 members, to align its composition more closely with that of the FINRA Board, which must have more Public Governors than Industry Governors. See [Regulatory Notice 16-27](#).
2. The terms of one at-large Industry NAC Member and one Non-Industry NAC Member will expire at the end of 2016. These seats will be filled by individuals nominated by the Nominating Committee and appointed by the FINRA Board.
3. 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

Large Firm NAC Member Nominee

Evan Charkes is a managing director and associate general counsel for Bank of America, and supports the U.S. Merrill Lynch Wealth Management Advisory business. In that role, he provides advice on securities laws, rules and regulation to the management teams and Financial Advisors for those businesses. Mr. Charkes has spent a significant portion of his career supporting wealth management businesses, including at Citi, where he was a managing director and deputy general counsel. He has also spent a portion of his career supporting banking related businesses for global banks, including as a director of Financial Holding Company Compliance for Morgan Stanley, and as a deputy general counsel for Citi's Commercial Business Group. Mr. Charkes started his career as a litigation associate in private practice in New York City. He is currently the co-chair of the SIFMA Compliance and Regulatory Policy Committee and former co-chair of the SIFMA Self-Regulation and Supervisory Practices Committee. He is also a former member of the FINRA Compliance Advisory Committee and FINRA International Committee. Mr. Charkes is a frequent contributor to the New York Law Journal and Wall Street Lawyer, and is a graduate of Georgetown University Law Center and Columbia College.

Mid-size Firm NAC Member Nominee

John Meegan is an executive vice president and chief operating officer of Hefren-Tillotson, Inc. In this role since 2005, he has overseen the daily operations of the firm, and as a member of the Office of the President and board of directors helps develop and implement the firm's strategic direction. He is active and involved in all areas of the firm including hiring, training, risk management, revenue growth, expense efficiency, contract management and capital expenditures. Prior to joining Hefren-Tillotson, Mr. Meegan held various senior level positions with both regional and national securities firms. Mr. Meegan is active in the securities industry, serving on various regulatory committees. Currently, he is the chairman of both the Financial Responsibility and Uniform Practice Committees for FINRA. Mr. Meegan also serves on the board of directors of Northwest Savings Bank and as chairman of its Audit Committee.

