

Election Notice

Upcoming FINRA Board of Governors Election

Petitions for Candidacy Due: July 8, 2019

Executive Summary

The annual meeting of FINRA firms will take place on or about Monday, August 19, 2019, to elect one Large Firm Governor and one Small Firm Governor to the FINRA Board of Governors (FINRA Board). A formal notice of the meeting, including the precise date, time and location, will be mailed to executive representatives on or about July 19, 2019.

The purpose of this *Election Notice* is to notify FINRA members of the FINRA Nominating Committee's nominees to fill these vacancies and inform individuals not nominated by the Nominating Committee of the petition procedures set forth in FINRA's By-Laws for being included on the ballot for these elections.

Questions regarding this *Election Notice* may be directed to Marcia E. Asquith, Executive Vice President and Corporate Secretary, or Jennifer Piorko Mitchell, Vice President and Deputy Corporate Secretary, at CorporateSecretary@finra.org or (202) 728-8949.

Note: FINRA distributed this *Notice* electronically to the executive representative of each FINRA firm and posted it online at www.finra.org/Notices/Election/05242019. Executive representatives should circulate this *Notice* to their firms' branch managers.

Composition of the Board

The FINRA Board consists of 24 members,¹ including:

- ▶ the Chief Executive Officer of FINRA;
- ▶ thirteen Public Governors;
- ▶ one Floor Member Governor;
- ▶ one Independent Dealer/Insurance Affiliate Governor;
- ▶ one Investment Company Affiliate Governor;
- ▶ three Small Firm Governors;
- ▶ one Mid-Size Firm Governor; and
- ▶ three Large Firm Governors.

May 24, 2019

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

Of the 24 Board members, the following seats are appointed by the FINRA Board from candidates recommended by the Nominating Committee: the Public Governors, Floor Member Governor, Independent Dealer/Insurance Affiliate Governor and Investment Company Affiliate Governor (Appointed Governors).

The Nominating Committee also may nominate individuals to run for election for the seven elected governor seats that comprise the three Small Firm Governors, one Mid-Size Firm Governor and three Large Firm Governors (Elected Governors). To be eligible to serve, Small Firm Governors must be registered with a small firm, the Mid-Size Firm Governor must be registered with a mid-size firm and Large Firm Governors must be registered with a large firm. Firm sizes are defined as follows:

- ▶ a large firm employs at least 500 registered persons;²
- ▶ a mid-size firm employs between 151 and 499 registered persons;³ and
- ▶ a small firm employs between one and 150 registered persons.⁴

FINRA Nominating Committee Nominee

There will be two seats on the FINRA Board for election at FINRA's 2019 Annual Meeting: one Large Firm Governor and one Small Firm Governor. FINRA's Nominating Committee has nominated the following individuals:

- ▶ **Large Firm Governor Candidate:** Andrew S. Duff, Board of Directors, Piper Jaffray & Co.
- ▶ **Small Firm Governor Candidate:** Robert A. Muh, CEO, Sutter Securities

Profiles for each of the Nominating Committee nominees are attached.

Petition Process for Additional Candidates

A person who has not been nominated by the Nominating Committee for election to the FINRA Board may be included on the ballot for the election of governors if:⁵

- a. within 45 days after the date of this *Election Notice* (July 8, 2019), such person presents to FINRA's Corporate Secretary petitions in support of his or her nomination, duly executed by at least 3 percent of FINRA member firms entitled to vote for such nominee's election. If, however, a candidate's name appears on a petition in support of more than one nominee, the petition must be endorsed by 10 percent of FINRA member firms entitled to vote for such nominees' election; and
- b. the Corporate Secretary certifies that such petitions have been duly executed by the executive representatives of the requisite number of FINRA member firms entitled to vote for such person's election, and the person being nominated satisfies the classification of the governorship to be filled.

As of the close of business on Thursday, May 23, 2019, the number of FINRA large firms was 174, and small firms was 3,261.

Firms may only endorse one petitioner for the same firm size seat as their own. No firm may endorse more than one such petitioner.

Petitioners must submit sufficient information to determine the person's status with respect to the category for which he or she is petitioning to be nominated. Individuals seeking nomination for election as a Large Firm Governor or a Small Firm Governor have an obligation to satisfy the firm-size classification on the date the petition is circulated, the date the petitions are certified by FINRA's Corporate Secretary and the date of the annual meeting. Individuals who fail to meet this requirement will be disqualified from election.

Petitioners must also provide information sufficient for the Corporate Secretary to determine that the petitions are duly executed by the executive representatives of the requisite number of applicable size firm members. In addition, to assist in the process of verifying petitions, FINRA requests that all petitions submitted be dated by their signatory.

Petitions must be submitted no later than Monday, July 8, 2019.

The names of persons obtaining the requisite number of valid petitions will be included on the appropriate proxy mailed to eligible firms in advance of the annual meeting.

Term of Office

Governors elected at FINRA's 2019 annual meeting will serve a three-year term concluding at FINRA's 2022 annual meeting, or until his or her successor is duly elected or qualified, or until death, resignation, disqualification or removal.⁶ In addition, a governor's term of office 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.⁷

Endnotes

1. See Article VII, Section 4(a) of the FINRA By-Laws.
2. See Article I (y) of the FINRA By-Laws.
3. See Article I (cc) of the FINRA By-Laws.
4. See Article I (ww) of the FINRA By-Laws.
5. See Article VII, Section 10 of the FINRA By-Laws.
6. See Article VII, Section 5 of the FINRA By-Laws. Governors generally may not serve more than two consecutive terms. However, 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.*
7. See Article VII, Section 6 of the FINRA By-Laws.

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Profile of Large Firm Governor Nominee

ANDREW S. DUFF

Board of Directors, Piper Jaffray & Co.

Andrew S. Duff is the former chairman and chief executive officer of Piper Jaffray Companies, having served as chief executive officer from 2000 through 2017. He currently serves on the Board of Directors of Piper Jaffray & Co., the primary broker-dealer subsidiary for Piper Jaffray Companies. Mr. Duff joined Piper Jaffray in 1980 in the institutional fixed income sales group. He was later promoted to manager of institutional sales and trading in 1994, and then served as president of the individual investor services and capital markets areas until 1996. During the time period that Piper Jaffray was owned by U.S. Bancorp (1996 through 2003), Mr. Duff served as president of Piper Jaffray and vice chair of U.S. Bancorp for the wealth management group.

Mr. Duff holds a bachelor's degree in economics from Tufts University in Medford, Mass., and attended the Advanced Executive Program at the Kellogg School of Management at Northwestern University.

In 2017, Mr. Duff was named among the Most Admired CEOs by the *Minneapolis-St. Paul Business Journal*. He was inducted into the Minnesota Business Hall of Fame in 2018.

Mr. Duff currently serves on the Board of Governors of the Financial Industry Regulatory Authority (FINRA), the University of St. Thomas board of trustees and the University of St. Thomas Opus College of Business strategic board of governors. He is a longstanding member of the Walker Art Center board of trustees, and an advisor to the board of directors of Great Clips, Inc.

Profile of Small Firm Governor Nominee

ROBERT A. MUH
CEO, Sutter Securities

Mr. Muh has over four decades of experience in the financial services industry. He is presently Chief Executive Officer of Sutter Securities, a 12-person broker-dealer he co-founded in San Francisco in 1992. Sutter Securities is a full-service broker-dealer. Mr. Muh was also the firm's Chief Compliance Officer until 2015, when increased regulatory burdens required Sutter to hire a full-time compliance officer. After serving as an officer in the U.S. Army, Mr. Muh began his business career at the consulting firm of McKinsey & Company. He left McKinsey to become a major owner and President of Newburger, Loeb & Co., a NYSE member firm. Prior to founding Sutter Securities, he was a partner at Bear Stearns in both Los Angeles and San Francisco.

Mr. Muh has also been actively involved in security industry affairs throughout his career. He has served as Chair of FINRA's Small Firm Advisory Committee and Chair of the District 1 Committee. He was a member of the National Arbitration and Mediation Committee and on FINRA's Membership Application Task Force. In 2016, he was elected to a three-year term on the FINRA Board of Governors. Mr. Muh has been a frequent speaker at FINRA's Small Firm Conferences and FINRA's Annual Conference. He has written numerous comment letters to both FINRA and the SEC regarding new rule proposals.

In addition, he has served on more than 20 corporate and non-profit boards. He was a Trustee of the Massachusetts Institute of Technology for more than 20 years and he is currently a Life Trustee Emeritus. He is also a Trustee and Vice Chair of the Culinary Institute of America. Mr. Muh is a graduate of MIT and he holds both an MBA and a M. Phil. from Columbia University where he was an Adjunct Assistant Professor at the Business School. Mr. Muh is currently an Adjunct Professor at the University of San Francisco Law School and an advisor to the Law School's Investor Justice Project.