

Election Notice

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

Petitions for Candidacy Due: November 9, 2023

September 25, 2023

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

Summary

The purpose of this *Election Notice* is to (1) notify members of an upcoming election to fill two large firm seats and one mid-size firm seat on the National Adjudicatory Council (NAC); (2) announce the FINRA Nominating & Governance Committee (Nominating Committee) nominees for these vacancies; and (3) describe the procedures to be included as an additional candidate on the ballot.

If more than one candidate is certified for any of the vacancies, the election will be deemed contested and FINRA will send the official *Election Notice* by electronic mail and FINRA's election agent will follow up with voting instructions to the executive representatives of eligible large and mid-size FINRA member firms on or about November 15, 2023.

Note: This Notice was distributed electronically to the executive representative¹ of each FINRA member firm and is posted on FINRA's website at www.finra.org/rules-guidance/notices/election-notice-092523.

Questions regarding this *Election Notice* may be directed to Jennifer Piorko Mitchell, Vice President and Deputy Corporate Secretary, via [email](mailto:jpitchell@finra.org) or (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.

The NAC comprises 15 members—seven industry members and eight non-industry members. 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 NAC meets primarily in person four times a year several weeks prior to each FINRA Board of Governors meeting. NAC members are expected to attend meetings and will be requested to serve on appeal panels, which involves reading the record of the case and attending oral arguments, and participating in several conference calls to handle other NAC matters. Potential candidates should ensure that their other commitments will allow for their full participation at all NAC meetings.

The elected individuals will serve four-year terms on the NAC beginning in January 2024.

FINRA Nominating Committee Nominees

The Nominating Committee has nominated the following individuals for the open NAC seats:

- ▶ Large Firm Member Nominees:
 - MaryBeth Findlay — Wells Fargo Securities, LLC
 - Scott Kursman — Citigroup Global Markets, Inc.
- ▶ Mid-Size Member Nominee:
 - Kim Chapman — Berthel, Fisher & Company Financial Services, Inc.

Profiles for each of the Nominating Committee nominees are attached.

Petition Process for Additional Candidates

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 an open large firm seat or mid-size firm seat on the NAC if:

- a. within 45 days of the date of this *Election Notice*, such person presents to the Corporate Secretary of FINRA petitions in support of his or her nomination duly executed by 3 percent of the members entitled to vote for such nominee's election;² and
- b. the Corporate 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 election, and the person satisfies the large firm or mid-size firm size classification of the NAC seat to be filled, based on such information provided by the person as is reasonably necessary to make the certification.

As of the close of business on September 22, 2023, the number of FINRA large firms was 159, and the number of mid-size firms was 196, so 5 petitions are required to become a large firm candidate and 6 petitions are required to become a mid-size firm candidate.

Individuals interested in petitioning to become candidates must complete a [candidate profile form](#) (Attachment A) and submit it to [FINRA's Corporate Secretary](#) for a determination that the individual is qualified to serve in the seat for which he or she is petitioning to be nominated. Individuals seeking election as a large firm or mid-size firm NAC member have an obligation to satisfy the firm-size classification on the date the petition is circulated, the date the petitions are certified by the Corporate Secretary, and during the election period. Individuals who fail to meet this requirement will be disqualified from election.

Petitioners 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 applicable-size member firms. Firms may only endorse petitioners for open seats that correspond to the firm's own size classification. However, no firm may endorse more than one such candidate per vacancy. If a firm does sign more than one petition for a specific vacancy, the later-signed petition will supersede any previously signed petition. To assist in the process of verifying petitions, FINRA requests that all submitted petitions be dated by their signatory.

Petitions must be submitted by November 9, 2023.

Nominating Committee Nominees for Large Firm NAC Members

MaryBeth Findlay is head of compliance for the Commercial Banking Division at Wells Fargo Securities, LLC, where she is FINRA Series 7 and 14 registered. Until August 2023, she was Managing Director, Global Head Markets Compliance for Barclays Capital, Inc. Prior to that, MaryBeth was Chief Compliance Officer for Credit Suisse Securities (USA) LLC. She has over 20 years of industry experience having previously worked at other global investment banks including Bear Stearns, Goldman Sachs, Nomura Financial and Sanwa Financial Products.

MaryBeth currently serves on the SIFMA Compliance & Legal Society Executive Committee, and she has served previously on FINRA's Market Regulation Committee, Fixed Income Committee and Large Firm Advisory Committee. She is a graduate of Fordham University.

Scott Kursman is a Managing Director and Chief Compliance Officer for Citigroup Global Markets, Inc., and the Citibank N.A., Swap Dealer. Prior to joining Citi in 2009, Scott was Senior Vice President and Chief Counsel for Global Compliance at Lehman Brothers and a Director at Barclays Capital. Between 1998 and 2005, Scott served as Vice President/Associate General Counsel for the Securities Industry Association (now SIFMA) where he advised member firms and advocated for regulatory changes in corporate finance, mergers and acquisitions, technology and regulation, equity and options trading, and general compliance and supervision.

Prior to 1998, Scott was an Associate Vice President and Assistant General Counsel at Prudential Securities with responsibility for advising the firm's equity trading unit. Scott began his legal career at the Securities and Exchange Commission in 1992 as an attorney-adviser in the Division of Market Regulation (now Trading and Markets) where he worked on marketplace rules for the government bond, municipal bond, listed and OTC equity, and listed options markets. An active industry participant and frequent conference speaker, Scott currently serves as President of SIFMA's Compliance & Legal Society Executive Committee and as a member of SIFMA's Compliance & Regulatory Policy Committee. Scott is a graduate of Tufts University and Boston University School of Law, is a member of the Pennsylvania and New Jersey Bar Associations, and holds FINRA Series 7, 14, 24 and 65 licenses.

Nominating Committee Nominee for Mid-Size Firm NAC Member

Kim Chapman is the Chief Compliance Officer of Berthel, Fisher & Company Financial Services, Inc., a position she has held since late 2020. Prior to that, she was the chief compliance and AML officer for SS&C Market Services, Inc., a start-up clearing organization. Kim has more than 20 years of experience in compliance, including with business models encompassing captive audiences, franchised models and independent models. She has worked in the retail space, a fintech model, investment banking, and product manufacturers in both insurance and mutual funds. Kim has experience in new firm registrations and closing a clearing operation while maintaining the broker dealer. She has worked at large firms with over five thousand registered reps and small firms with fewer than 50 registered persons. Kim is currently a member of FINRA's Mid-West Regional Committee. She has also been an active member with SIFMA, FSI and NSCP. Kim is Series 6, 7, 14, 24 and 99 registered.

Endnotes

1. 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. To update an executive representative's name, mailing address and email address, firms may access the FINRA Contact System, via the [Firm Gateway](#). 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).
2. However, if an individual'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.

Attachment A Candidate Profile Form—National Adjudicatory Council 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/rules-guidance/notices/election-notice-092523.

Name: _____ Date: _____

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

- *Large Firm Seat (Full Term until December 2027)*
- *Mid-size Firm Seat (Full Term until December 2027)*

Current Registration

Title/Primary Responsibility: _____

Firm Name: _____ Firm CRD#: _____

Individual CRD #: _____ Number of Registered Reps. at Firm: _____

Address

Street Address: _____ Suite/Floor: _____

City: _____ State: _____

Email: _____

Phone: _____

Provide a brief biography or summary of your qualifications to serve as a NAC member. The biography should contain only factual information, such as employment experience, service on other industry-related boards and committees, education credentials, etc. (The biography should be no more than 500 words.)