

# 'Frustrated' Finra members vote independents onto board

Slate of independent candidates from small firms elected;  
series of proxy proposals also approved

**By Dan Jamieson**

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Member firms of the Financial Industry Regulatory Authority Inc. yesterday elected a slate of three independent small-firm candidates to the Finra board.

According to the regulator, Finra members also approved seven non-binding proxy proposals. Those proposals are mostly aimed at making the regulator more transparent.

The three new small-firm board members are Ken Norensberg, managing director of the Luxor Financial Group Inc., Jed Bandes, president of Mutual Trust Company of America Securities Inc., and Joel Blumenschein, president of Freedom Investors Corp. ([Click here for the full results.](#))

Midsize-firm candidate Dennis Ferguson, director of clearing at Sterne Agee Financial Services Inc., also won, beating out an independent challenger.

The Finra board has 21 seats.

The results are "a testament to fact that members are absolutely frustrated," Mr. Norensberg said.

Large-firm candidates Richard Brueckner, chief executive of Pershing LLC, Seth Waugh, chief executive of Deutsche Bank Securities Inc., and James Weddle, a managing partner with Edward Jones, all ran unopposed.

The seven proxy proposals asked Finra to give members a "say on pay" for top Finra officials, disclose pay for top executives, make board meetings public, disclose Finra's investment activities and release an IRS opinion letter concerning the NASD's \$35,000 payment to members following the 2007 merger with the NYSE regulatory unit.

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The proposals, submitted by Amerivet Securities Inc., also asked for an inquiry into any potential involvement between Finra officers and Bernard Madoff's firms and the creation of an independent inspector general.

Amerivet's attorney, Johnathan Cuneo, founding member of Cuneo Gilbert & LaDuca LLP, said unofficial tallies for the proposals show that two-thirds or more of members supported each proposal.

"I think the board is going to have to take this very seriously because their position was soundly rejected," Mr. Cuneo said.



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