

'Dissident' candidate defeats Finra's hand-picked nominee for board seat

Brian Kovack wants to make the organization more effective without antagonizing firms that are doing the right thing

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By **Mark Schoeff Jr.**

An executive of an independent broker-dealer won a seat on the Finra board Thursday after waging what he called a “dissident” campaign.

Brian Kovack, president and co-founder of **Kovack Securities Inc.**, was elected to a mid-size firm seat by members of the Financial Industry Regulatory Authority Inc. He beat John Muschalek, vice chairman of First Southwest Co., who was nominated by a Finra committee.

Mr. Kovack **put himself on the ballot** by gathering enough petitions to qualify.

In other voting results, Joe Romano, president of Romano Wealth Management, won a small-firm seat, defeating Stephen A. Kohn, president and chief executive of Stephen A. Kohn & Associates.

Both Mr. Romano and Mr. Kohn **became candidates through petitions**. Finra did not nominate a candidate for the small-firm seat.

John Thiel, head of **Merrill Lynch** Wealth Management, was elected to a large-firm seat. He was nominated by Finra and ran unopposed.

Two people were appointed to the Finra board Thursday. Kathleen Murphy, president of Personal Investing, a **Fidelity Investments** company, became an industry governor. Randal K. Quarles, managing partner and co-founder of The Cynosure Group, became a public governor.

In his campaign, Mr. Kovack said he wanted to join the Finra board to keep it from “antagonizing” its members, especially independent broker-dealers.

“I’d like to actively challenge Finra in certain areas,” Mr. Kovack said. “I’d like to see some reform and make the organization more effective without unnecessarily antagonizing member firms who are trying to do the right thing for clients.”

Mr. Romano touted his experience in the Finra governance system. He is serving this year as chairman of the Small Firm Advisory Board.

“We need more than just griping,” he said. “We need someone who can advocate solutions.”

The new members will serve three-year terms. The Finra board consists of 24 members, 13 of whom do not have industry ties. Another 10 work for brokerage firms. The board chairman is Richard Ketchum, Finra’s chief executive.