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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
FINRA REGULATION INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1735 K STREET NW

City or town, state or country, and ZIP + 4
WASHINGTON, DC 200061506

D Employer identification number
52-1959501

E Telephone number
(202) 728-8949

G Gross receipts $ 679,516,467

F Name and address of principal officer
RICHARD G KETCHUM
1735 K STREET NW
WASHINGTON, DC 200061506

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☐ 501(c)(3) ☑ 501(c) (6) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW FINRA ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1996 | **M** State of legal domicile DE

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
FINRA IS DEDICATED TO INVESTOR PROTECTION AND MARKET INTEGRITY THROUGH EFFECTIVE AND EFFICIENT REGULATION OF THE SECURITIES INDUSTRY

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	5
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	2,665
6	Total number of volunteers (estimate if necessary)	6	1
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	57,439
b	Net unrelated business taxable income from Form 990-T, line 34	7b	11,286

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	0	0
	9	Program service revenue (Part VIII, line 2g)	608,713,436	679,513,012
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-900,646	0
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,213,665	3,455
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	616,026,455	679,516,467
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	100,705	278,005
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	325,732,400	353,262,747
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	312,679,053	363,469,630
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	638,512,158	717,010,382
	19	Revenue less expenses Subtract line 18 from line 12	-22,485,703	-37,493,915

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	69,344,898	38,378,143
	21	Total liabilities (Part X, line 26)	327,835,516	356,483,450
	22	Net assets or fund balances Subtract line 21 from line 20	-258,490,618	-318,105,307

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer | Date 2011-11-11

ROBERT A RENNER V P & ASS'T CONTROLLER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
Firm's name ▶ ERNST & YOUNG US LLP				Firm's EIN ▶
Firm's address ▶ TWO NORTH CENTRAL AVENUE STE 2300 PHOENIX, AZ 85004				Phone no ▶ (602) 322-3000

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . ☑

1 Briefly describe the organization's mission

FINRA IS DEDICATED TO INVESTOR PROTECTION AND MARKET INTEGRITY THROUGH EFFECTIVE AND EFFICIENT REGULATION OF THE SECURITIES INDUSTRY

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ including grants of $) (Revenue $)

SEE SCHEDULE O

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶$

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		No
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

Part IV **Checklist of Required Schedules** *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☐

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	83			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	2,665			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 12			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 5			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Does the organization have members or stockholders?		6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶CA

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

MARCIA E ASQUITH
1735 K STREET NW
WASHINGTON, DC 200061506
(202) 728-8949

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . . ☑

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See Additional Data Table										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See Additional Data Table										

		(D)	(E)	(F)
1b	**Sub-Total** . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . ▶	14,726,172	9,741,533	4,139,296

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶1,090

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
PROMETRIC PO BOX 223608 PITTSBURGH, PA 15251	TESTING SERVICES	22,621,140
NCS PEARSON INCORPORATED 21866 NETWORK PLACE CHICAGO, IL 60673	TESTING SERVICES	7,641,969
TEK SYSTEMS INC PO BOX 198568 ATLANTA, GA 30384	TECH CONSULTING	2,449,283
DEALOGIC INC PO BOX 2803 BUFFALO, NY 14240	TECH CONSULTING	1,941,507
ATKINSON-BAKER INC 535 N BRAND BLVD SUITE 250 GLENDALE, CA 91203	LEGAL CONSULTING	1,454,250

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶47

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . .	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations . . .	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . ▶		0			
Program Service Revenue		Business Code				
	2a REGULATORY FEES	900099	428,563,698	428,563,698		
	b USER FEES	900099	150,627,768	150,570,329	57,439	
	c CONTRACT SERVICE FEES	900099	58,034,958	58,034,958		
	d FINES	900099	42,223,720	42,223,720		
	e ALL OTHER PROGRAM SERVICE REVENUE	900099	62,868	62,868		
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . ▶		679,513,012			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		0			
	4 Income from investment of tax-exempt bond proceeds . . ▶		0			
	5 Royalties . . . . ▶		3,455			3,455
		(i) Real / (ii) Personal				
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) . . . . ▶					
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) . . . . ▶		0			
	8a Gross income from fundraising events (not including $ ______ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶		0			
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . b					
	c Net income or (loss) from gaming activities . . . ▶		0			
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶		0			
	Miscellaneous Revenue	Business Code				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . . ▶		0			
	12 **Total revenue.** See Instructions . . . ▶		679,516,467	679,455,573	57,439	3,455

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	**(A)** Total expenses	**(B)** Program service expenses	**(C)** Management and general expenses	**(D)** Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	278,005			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	10,620,452			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	269,188,131			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	37,769,595			
9	Other employee benefits	17,529,341			
10	Payroll taxes	18,155,228			
a	Fees for services (non-employees) Management	2,880,086			
b	Legal	648,819			
c	Accounting	129,648			
d	Lobbying	0			
e	Professional fundraising services *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	22,396,469			
12	Advertising and promotion	80,824			
13	Office expenses	4,406,607			
14	Information technology	83,130,021			
15	Royalties . .	0			
16	Occupancy	45,643,832			
17	Travel	12,654,160			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	411,209			
20	Interest	-269			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	21,072,543			
23	Insurance	0			
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	OVERHEAD ALLOCATION	165,674,348			
b	TEMPORARY HELP	2,214,269			
c	BAD DEBT EXPENSE	1,594,885			
d	PUBLICATIONS/PRINTING	425,509			
e	BANK SERVICE FEES	177,464			
f	All other expenses	-70,794			
25	**Total functional expenses.** Add lines 1 through 24f	717,010,382			
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		-1,572,636	1	-820,420
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		40,428,072	4	30,038,428
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		1,333,071	9	566,141
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 165,287,078			
	b	Less accumulated depreciation	10b 163,133,812	20,070,056	10c	2,153,266
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		461,369	14	634,247
	15	Other assets See Part IV, line 11		8,624,966	15	5,806,481
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		69,344,898	16	38,378,143
Liabilities	17	Accounts payable and accrued expenses		265,141,717	17	292,665,981
	18	Grants payable			18	
	19	Deferred revenue		62,693,799	19	63,817,469
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		0	25	0
	26	**Total liabilities.** Add lines 17 through 25		327,835,516	26	356,483,450
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets			27	
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☑ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		350,000	30	350,000
	31	Paid-in or capital surplus, or land, building or equipment fund		50,000,000	31	50,000,000
	32	Retained earnings, endowment, accumulated income, or other funds		-308,840,618	32	-368,455,307
	33	Total net assets or fund balances		-258,490,618	33	-318,105,307
	34	Total liabilities and net assets/fund balances		69,344,898	34	38,378,143

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	679,516,467
2	Total expenses (must equal Part IX, column (A), line 25)	2	717,010,382
3	Revenue less expenses Subtract line 2 from line 1	3	-37,493,915
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	-258,490,618
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-22,120,774
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-318,105,307

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ________ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	**Employer identification number**
FINRA REGULATION INC	52-1959501

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	**(b)** Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

- ☐ Preservation of land for public use (e g , recreation or pleasure)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically importantly land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

			Amount
c	Beginning balance	1c	
d	Additions during the year	1d	
e	Distributions during the year	1e	
f	Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a	Beginning of year balance					
b	Contributions					
c	Investment earnings or losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

			Yes	No
	(i) unrelated organizations	3a(i)		
	(ii) related organizations	3a(ii)		
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		28,205,108	26,511,481	1,693,627
d Equipment		12,324,895	11,914,526	410,369
e Other		124,757,075	124,707,805	49,270
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				2,153,266

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) CASH ON DEPOSIT LONG TERM	5,798,290
(2) DUE FROM RELATED PARTY	8,191
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	5,806,481

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	0

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
FIN 48 FOOTNOTE FROM CONSOLIDATED AUDITED FINANCIAL STATEMENTS	SCHEDULE D, PART X, LINE 2	U S GAAP PROVIDES A TWO-STEP APPROACH FOR EVALUATING TAX POSITIONS RECOGNITION (STEP 1) OCCURS WHEN AN ENTITY CONCLUDES THAT A TAX POSITION, BASED SOLELY ON ITS TECHNICAL MERITS, IS MORE LIKELY THAN NOT TO BE SUSTAINED UPON EXAMINATION IN STEP 2 (MEASUREMENT), THE TAX BENEFIT IS MEASURED AS THE LARGEST AMOUNT OF BENEFIT, DETERMINED ON A CUMULATIVE PROBABILITY BASIS, THAT IS MORE LIKELY THAN NOT TO BE REALIZED UPON ULTIMATE SETTLEMENT DURING THE YEARS FROM 2007 TO 2010, WHICH REPRESENT THE YEARS MANAGEMENT CONSIDERS TO BE OPEN FOR EXAMINATION BY TAXING AUTHORITIES, MANAGEMENT DID NOT IDENTIFY THE EXISTENCE OF ANY UNCERTAIN TAX POSITIONS ACCORDINGLY, ALL TAX POSITIONS ARE RECOGNIZED AND MEASURED AT THEIR FULL BENEFIT IN THE CONSOLIDATED BALANCE SHEETS AND STATEMENT OF OPERATIONS

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
FINRA REGULATION INC

Employer identification number
52-1959501

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) EMPLOYEE BENEFIT RESEARCH INSTITUTE 1100 13TH STREET NW 378 WASHINGTON, DC 20006	52-1190398	501(C)(3)	32,500				SUSTAINING PARTNER CONTRIBUTION
(2) AMERICAN RED CROSS 211 W ARMOUR BLVD KANSAS CITY, MO 64111	53-0196605	501(C)(3)	96,085				HAITI EARTHQUAKE/PAKISTAN FLOOD RELIEF
(3) SECURITIES AND EXCHANGE COMMISSION HISTORICAL SOCI1101 PENNSYLVANIA AVENUE NW WASHINGTON, DC 20004	52-2213646	501(c)(3)	25,000				AWARDS DINNER CONTRIBUTION
(4) APPLESEED FOUNDATION INC727 15TH STREET 11TH FLOOR WASHINGTON, DC 20005	52-1835698	501(C)(3)	15,000				AWARDS DINNER CONTRIBUTION
(5) AUTISM SPEAKS1 EAST 33RD STREET 4TH FLOOR NEW YORK, NY 10016	20-2329938	501(c)(3)	15,000				AWARDS DINNER CONTRIBUTION
(6) JUMPSTART COALITION FOR PERSONAL LITERACY919 18TH STREET NW 300 WASHINGTON, DC 20006	52-2031287	501(C)(3)	10,000				AWARDS DINNER CONTRIBUTION
(7) DOCTORS WITHOUT BORDERSPO BOX 5030 HAGERSTOWN, MD 21741	13-3433452	501(C)(3)	8,003				HAITI EARTHQUAKE/PAKISTAN FLOOD RELIEF
(8) IONA COLLEGE715 NORTH AVENUE NEW ROCHELLE, NY 10801	13-3508093	501(C)(3)	6,000				AWARDS DINNER CONTRIBUTION
(9) CATHOLIC RELIEF SERVICESPO BOX 17090 BALTIMORE, MD 21203	13-5563422	501(C)(3)	5,465				HAITI EARTHQUAKE/PAKISTAN FLOOD RELIEF
(10) CLINTON BUSH HAITI FUNDC/O COMMUNITIES FOUNDATION OF TEXAS 5500 CARUTH HAVEN LANE DALLAS, TX 75222	31-1580204	501(C)(3)	5,311				HAITI EARTHQUAKE RELIEF

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 10

3 Enter total number of other organizations . . . ▶ 0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	**(b)** Number of recipients	**(c)** Amount of cash grant	**(d)** Amount of non-cash assistance	**(e)** Method of valuation (book, FMV, appraisal, other)	**(f)** Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	**Return Reference**	**Explanation**
Form 990, Schedule I	Description of Organization's Procedures for Monitoring the Use of Grants	FINRA REGULATION CONTRIBUTED A TOTAL OF $32,500 IN 2010 TO THE EMPLOYEE BENEFIT RESEARCH INSTITUTE EDUCATION AND RESEARCH FUND (EBRI-ERF), A SEPARATE CORPORATE 501(C)(3) AFFILIATE FOR THE EMPLOYEE BENEFIT RESEARCH INSTITUTE, OF WHICH FINRA FOUNDATION BOARD MEMBER, DALLAS SALISBURY, IS PRESIDENT AND CEO THIS INCLUDES $7,500 IN SUPPORT OF THE EBRI RETIREMENT CONFIDENCE SURVEY FOR 2011, AND $25,000 TOWARDS ANNUAL PARTNERSHIP IN THE AMERICAN SAVINGS AND EDUCATION COUNCIL WHICH THE EMPLOYEE BENEFIT RESEARCH INSTITUTE ADMINISTERS VOLUNTARY DISCLOSURE FOR APPLESEED FOUNDATION CONTRIBUTION DURING 2010 RICHARD G KETCHUM, FINRA CEO, SERVED AS A BOARD MEMBER OF THE APPLESEED FOUNDATION
OVERSIGHT AND RECORDKEEPING OF CONTRIBUTIONS	SCHEDULE I, PART I, LINE 2	CHARITABLE CONTRIBUTIONS ARE REVIEWED AND APPROVED BY THE APPROPRIATE BUSINESS UNIT HEAD (OR THEIR DESIGNEE) THE ORGANIZATION MAINTAINS ADEQUATE RECORDS TO SUBSTANTIATE THE AMOUNT AND THE PURPOSE OF THE CHARITABLE CONTRIBUTIONS

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493315032561

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
FINRA REGULATION INC

Employer identification number
52-1959501

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☑ First-class or charter travel ☐ Housing allowance or residence for personal use ☑ Travel for companions ☐ Payments for business use of personal residence ☑ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☐ Discretionary spending account ☑ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☑ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		
b	Any related organization?	**5b**		
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		
b	Any related organization?	**6b**		
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
SUPPLEMENTAL COMPENSATION INFORMATION		FOR THE HIGHEST COMPENSATED EXECUTIVES, BASE SALARY AND INCENTIVE COMPENSATION (EARNED IN THE PRIOR YEAR) REPORTED IN COLUMNS B(I) AND B(II) ARE INDEPENDENTLY DETERMINED AND APPROVED BY THE MANAGEMENT COMPENSATION COMMITTEE OF THE BOARD OF GOVERNORS IN DETERMINING SALARIES AND INCENTIVE PAY, THE COMMITTEE RELIED ON A THIRD-PARTY COMPENSATION STUDY PERFORMED BY MERCER, INC THAT COMPARED FINRA EXECUTIVES TO INDUSTRY BENCHMARKING DATA OTHER REPORTABLE COMPENSATION (COLUMN B(III)) IS LARGELY COMPOSED OF RETIREMENT VESTING AND/OR PAYOUT EVENTS FROM NON-QUALIFIED PLANS, AS WELL AS SEVERANCE OR SEPARATION PAYMENTS, IF APPLICABLE FINRA OFFERS TWO NON-QUALIFIED SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS 1) FINRA'S SUPPLEMENTAL DEFINED BENEFIT PLAN IS A NON-QUALIFIED DEFINED BENEFIT PLAN THAT IS PROVIDED TO MEMBERS OF A SELECT GROUP OF MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES SUCH AS THOSE DESCRIBED UNDER 201(2), 301 (A)(3), AND 401(A)(1) OF ERISA IT IS A FINRA FUNDED PLAN THAT VESTS AT SPECIFIED AGE AND SERVICE MILESTONES THIS PLAN WAS CLOSED TO NEW ENTRANTS AS OF 12/31/05 2) FINRA'S SUPPLEMENTAL DEFINED CONTRIBUTION PLAN IS A NON-QUALIFIED PLAN THAT IS OPEN TO VICE PRESIDENTS AND ABOVE WITH AN ANNUAL BASE PAY ABOVE THE QUALIFIED LIMIT IT IS ONLY OPEN TO THOSE NOT PARTICIPATING IN THE CLOSED NON-QUALIFIED DEFINED BENEFIT PLAN DESCRIBED ABOVE IT IS A FINRA FUNDED PLAN WITH A 3 YEAR VESTING CYCLE WITH ANNUAL VESTING BEGINNING AT AGE 62 ADDITIONAL INFORMATION CONCERNING FINRA'S RETIREMENT PLANS AND OTHER PARTICIPANTS IS PROVIDED BELOW SCHEDULE J, PART I, LINE 1 FIRST CLASS OR CHARTER TRAVEL THE NEXT CABIN ABOVE ECONOMY IS ALLOWED FOR INTERNATIONAL TRAVEL TO AND FROM THE U S INCLUDING CANADA AND MEXICO, WHERE THE FLIGHT TIME IS OVER FOUR HOURS DIRECT IT IS ALSO ALLOWED FOR ALL TRAVEL FROM THE U S MAINLAND TO HAWAII, AND FOR FLIGHTS WITHIN EUROPE THAT ARE OVER FOUR HOURS IN DURATION OTHERWISE, ECONOMY CLASS IS REQUIRED TRAVEL FOR COMPANIONS IN LIEU OF A WEEKEND TRIP HOME, A COMPANION MAY FLY TO MEET AN EMPLOYEE ON AN EXTENDED STAY AT HIS OR HER WORK LOCATION AIRLINE TICKETS FOR WEEKEND COMPANIONS MUST BE FOR DOMESTIC FLIGHTS, AND MUST BE PURCHASED WITH A PERSONAL CREDIT CARD THE EMPLOYEE WILL RECEIVE REIMBURSEMENT NOT TO EXCEED WHAT THE COST OF A TICKET TO FLY THE EMPLOYEE HOME FOR THE WEEKEND WOULD HAVE BEEN FINRA WILL NOT REIMBURSE EMPLOYEES FOR COMPANION TRAVEL TO INTERNATIONAL LOCATIONS THE REIMBURSEMENT AMOUNT WILL BE A TAXABLE FRINGE BENEFIT TO THE EMPLOYEE, AND THE EMPLOYEE IS RESPONSIBLE FOR ALL TAXES COMPANION WEEKEND TRAVEL MUST BE APPROVED BY THE EMPLOYEE'S DEPARTMENT DIRECTOR AND THE MANAGER OF CORPORATE TRAVEL SERVICES BEFORE THE TRIP WHEN COMPANIONS ARE INVITED ON BEHALF OF FINRA, FINRA REGULATION, AND FINRA DISPUTE RESOLUTION TO BOARD MEETINGS, THEIR AIRFARE IS REIMBURSABLE TAX INDEMNIFICATION GIFTS TO EMPLOYEES ARE CONSIDERED TAXABLE COMPENSATION UNDER THE INTERNAL REVENUE CODE THE FAIR MARKET VALUE OF THE GIFT TO THE EMPLOYEE WILL BE INCLUDED AS WAGES ON THE EMPLOYEE'S W-2 IN GENERAL, IT IS FINRA'S PRACTICE TO "GROSS UP," OR ADJUST THE WAGES AND TAXES SO THAT THE TAX EFFECT OF RECEIVING A GIFT IS NEUTRAL TO THE EMPLOYEE IT IS ALSO FINRA'S PRACTICE TO "GROSS-UP" EMPLOYEE RELOCATION EXPENSES, AS WELL AS FOOD AND LODGING EXPENSES INCURRED AS PART OF THE EXECUTIVE HEALTH PLAN HEALTH AND CLUB DUES AS PART OF ITS WELLNESS PROGRAM, FINRA OFFERS SUBSIDIZED GYM MEMBERSHIPS TO EMPLOYEES OF FINRA AND SUBSIDIARIES AT CERTAIN LOCATIONS ALSO, THE CEO'S CONTRACT PROVIDES FOR UP TO A MAXIMUM AMOUNT OF $20,000 EACH CALENDAR YEAR FOR ADMISSION FEES, DUES, AND HOUSE CHARGES OF ONE CLUB IN EACH OF THE NEW YORK CITY AND WASHINGTON, D C METROPOLITAN AREAS TO BE USED FOR BUSINESS PURPOSES EXECUTIVE HEALTH PLAN THE EXECUTIVE HEALTH PLAN IS AVAILABLE TO FINRA STAFF AT A LEVEL OF EXECUTIVE VICE PRESIDENT AND ABOVE AND OTHER EMPLOYEES AS DESIGNATED BY THE CEO THE EXECUTIVE HEALTH PLAN COVERS PROCEDURES RELATED TO THE DIAGNOSIS AND PREVENTION OF A MEDICAL CONDITION(S) THE FINRA EXECUTIVE HEALTH PLAN PROVIDES FOR ONE ASSESSMENT PER YEAR PERSONAL SERVICES THE CEO'S CONTRACT PROVIDES FOR A CAR AND DRIVER IN BOTH NEW YORK CITY, NEW YORK AND WASHINGTON, D C TO BE USED FOR BUSINESS PURPOSES THESE SERVICES, WHICH ARE USED PRINCIPALLY BY THE CEO, ARE USED BY OTHER FINRA EMPLOYEES FOR BUSINESS PURPOSES WHEN AVAILABLE THE CEO'S CONTRACT ALSO PROVIDES FOR COSTS INCURRED RELATED TO PERSONAL FINANCIAL AND TAX COUNSELING, UP TO $20,000 PER CALENDAR YEAR, AS WELL AS SPOUSAL TRAVEL FOR CERTAIN BUSINESS-RELATED EVENTS
SUPPLEMENTAL COMPENSATION INFORMATION	SCHEDULE J, PART I, LINES 4A AND 4B	4A) IN CONNECTION WITH ROBERT C ERRICO'S SEPARATION FROM FINRA, HE WAS PAID $203,102 IN 2010 LINE 4B) FINRA OFFERS TWO NON-QUALIFIED SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS ANNUAL INCREASES IN BENEFIT VALUE, CLIFF VESTING EVENTS, AND PAYOUT DIFFERENTIALS ARE TAXABLE IN THE YEAR IN WHICH THEY OCCUR AND ARE REPORTED IN COLUMN B(III) OF SCHEDULE J, PART II UNVESTED BENEFIT AND CONTRIBUTION ACCRUALS ARE TAX DEFERRED AND ARE REPORTED IN COLUMN C OF SCHEDULE J, PART II 1) FINRA'S SUPPLEMENTAL DEFINED BENEFIT PLAN IS A NON-QUALIFIED DEFINED BENEFIT PLAN THAT IS PROVIDED TO MEMBERS OF A SELECT GROUP OF MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES SUCH AS THOSE DESCRIBED UNDER 201(2), 301(A)(3), AND 401(A)(1) OF ERISA IT IS A FINRA FUNDED PLAN THAT VESTS AT SPECIFIED AGE AND SERVICE MILESTONES THIS PLAN WAS CLOSED TO NEW ENTRANTS AS OF 12/31/05 PARTICIPANTS IN THE NON-QUALIFIED DEFINED BENEFIT PLAN THAT HAD AN INCREMENTAL INCREASE IN PRESENT VALUE OF PARTICIPANT BENEFIT VALUE FROM PRIOR YEAR INCLUDE T GRANT CALLERY - $3,122 JAMES J CUMMINGS - $3,135 DEREK W LINDEN - $775,044 00 (CLIFF) STEPHEN LUPARELLO - $62,740 MARC MENCHEL - $256,521 CARLOTTA A ROMANO - $451,802 (CLIFF) DANIEL M SIBEARS - $10,134 PARTICIPANTS IN THE SUPPLEMENTAL NON-QUALIFIED DEFINED BENEFIT PLAN THAT HAD A GROSS TAXABLE PAYOUT INCLUDE ROBERT C ERRICO - $1,500,693 2) FINRA'S SUPPLEMENTAL DEFINED CONTRIBUTION PLAN IS A NON-QUALIFIED PLAN THAT IS OPEN TO VICE PRESIDENTS AND ABOVE WITH AN ANNUAL BASE PAY ABOVE THE QUALIFIED LIMIT IT IS ONLY OPEN TO THOSE NOT PARTICIPATING IN THE CLOSED NON-QUALIFIED DEFINED BENEFIT PLAN DESCRIBED ABOVE IT IS A FINRA FUNDED PLAN WITH A 3 YEAR VESTING CYCLE WITH ANNUAL VESTING BEGINNING AT AGE 62 PARTICIPANTS IN THE SUPPLEMENTAL NON-QUALIFIED DEFINED CONTRIBUTION PLAN WITH CONTRIBUTIONS VESTING IN 2010 INCLUDE MARCIA E ASQUITH - $137,929 SUSAN F AXELROD - $176,576 STEPHEN M SCHOENEMAN - $174,043 MICHAEL G RUFINO - $173,396 GRACE B VOGEL - $317,258 WILLIAM J WOLLMAN - $151,103
VOLUNTARY COMPENSATION DISCLOSURES		JAMES D WEDDLE WAS A VOLUNTEER BOARD MEMBER IN 2010 AND DID NOT RECEIVE COMPENSATION FOR HIS SERVICES

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 52-1959501
Name: FINRA REGULATION INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation	(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
RICHARD G KETCHUM	(i)	0	0	0	0	0	0	0
	(ii)	980,740	1,250,000	29,606	321,305	27,703	2,609,354	0
TODD T DIGANCI	(i)	0	0	0	0	0	0	0
	(ii)	476,490	660,000	35,704	30,644	29,160	1,231,998	0
MARCIA E ASQUITH	(i)	0	0	0	0	0	0	0
	(ii)	207,155	220,000	161,087	23,460	27,865	639,568	35,876
SUSAN F AXELROD	(i)	280,142	297,500	194,093	21,398	38,108	831,241	48,124
	(ii)	0	0	0	0	0	0	0
T GRANT CALLERY	(i)	0	0	0	0	0	0	0
	(ii)	357,230	317,800	30,174	84,163	27,117	816,485	0
MARTIN P COLBURN	(i)	0	0	0	0	0	0	0
	(ii)	382,482	454,043	19,908	159,027	36,589	1,052,049	0
JAMES J CUMMINGS	(i)	268,303	347,149	27,674	70,295	29,780	743,202	0
	(ii)	0	0	0	0	0	0	0
JAMES P DONOVAN	(i)	0	0	0	0	0	0	0
	(ii)	500,000	360,000	9,225	1,158,318	7,228	2,034,771	0
ROBERT C ERRICO	(i)	193,419	342,000	1,754,375	233,744	17,890	2,541,428	244,344
	(ii)	0	0	0	0	0	0	0
LINDA D FIENBERG	(i)	0	0	0	0	0	0	0
	(ii)	440,336	420,300	32,858	62,664	17,842	974,000	0
SAMUEL H GAER	(i)	0	0	0	0	0	0	0
	(ii)	76,735	0	115	203,077	942	280,869	0
THOMAS R GIRA	(i)	370,718	420,000	4,758	79,653	39,724	914,853	0
	(ii)	0	0	0	0	0	0	0
DEREK W LINDEN	(i)	308,612	260,635	791,422	43,702	37,230	1,441,600	11,587
	(ii)	0	0	0	0	0	0	0
STEPHEN LUPARELLO	(i)	585,278	700,000	85,248	31,847	30,517	1,432,890	0
	(ii)	0	0	0	0	0	0	0
MARC MENCHEL	(i)	391,140	434,300	267,070	34,801	30,862	1,158,173	0
	(ii)	0	0	0	0	0	0	0
SUSAN L MERRILL	(i)	123,669	605,000	31,214	10,768	9,014	779,666	0
	(ii)	0	0	0	0	0	0	0
HOWARD M SCHLOSS	(i)	0	0	0	0	0	0	0
	(ii)	422,440	393,000	11,704	157,340	42,899	1,027,383	0
STEPHEN M SCHOENEMAN	(i)	0	0	0	0	0	0	0
	(ii)	287,126	225,000	196,382	31,076	32,363	771,947	45,366
THOMAS M SELMAN	(i)	326,105	324,400	21,997	63,136	12,547	748,185	0
	(ii)	0	0	0	0	0	0	0
GRACE B VOGEL	(i)	348,432	525,000	337,049	29,990	35,040	1,275,511	88,530
	(ii)	0	0	0	0	0	0	0
CARLOTTA ROMANO	(i)	299,684	275,000	474,081	48,037	12,867	1,109,669	0
	(ii)	0	0	0	0	0	0	0
MICHAEL RUFINO	(i)	259,207	270,000	191,855	20,466	47,466	788,994	0
	(ii)	0	0	0	0	0	0	0
JAMES J SHORRIS	(i)	328,627	300,000	22,425	448,051	33,522	1,132,625	0
	(ii)	0	0	0	0	0	0	0
DANIEL M SIBEARS	(i)	360,484	315,000	33,037	53,320	46,468	808,309	0
	(ii)	0	0	0	0	0	0	0
WILLIAM J WOLLMAN	(i)	225,796	235,000	169,273	19,817	28,458	678,344	0
	(ii)	0	0	0	0	0	0	0

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
FINRA REGULATION INC

Employer identification number
52-1959501

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) NYSE EURONEXTNYSE REGULATION	SCHEDULE L, PART V	32,112,111	SCHEDULE L, PART V		No
(2) EDWARD JONES	SCHEDULE L, PART V	23,493,222	SCHEDULE L, PART V		No
(3) LPL FINANCIAL	SCHEDULE L, PART V	14,610,929	SCHEDULE L, PART V		No
(4) UVEST FINANCIAL SERVICES GROUP	SCHEDULE L, PART V	1,190,707	SCHEDULE L, PART V		No
(5) STERNE AGEE FINANCIAL SERVICES	SCHEDULE L, PART V	702,232	SCHEDULE L, PART V		No
(6) STERNE AGEE LEACH INC	SCHEDULE L, PART V	350,285	SCHEDULE L, PART V		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS INVOLVING INTERESTED PARTIES	SCHEDULE L, PART IV	FINRA'S BYLAWS DO NOT CLASSIFY DIRECTORS AS INDEPENDENT OR NOT INDEPENDENT AS A SELF-REGULATORY ORGANIZATION, BOARD MEMBERS ARE CLASSIFIED AS "PUBLIC" OR "INDUSTRY" AND A MAJORITY OF THE BOARD MUST ALWAYS MEET THE "PUBLIC" DEFINITION ADDITIONALLY, ANY TRANSACTIONS WITH COMPANIES THAT EMPLOY A BOARD MEMBER, OR FOR WHICH A BOARD MEMBER MAY SERVE AS A MEMBER OF ITS DIRECTORATE, INCLUDING THOSE LISTED BELOW, WERE CONDUCTED IN THE ORDINARY COURSE OF BUSINESS AND DO NOT REFLECT SPECIAL ARRANGEMENTS BETWEEN INTERESTED PARTIES HOWEVER, THE IRS DEFINITION OF AN INDEPENDENT VOTING MEMBER OF A GOVERNING BODY IS SPECIFIC TO THE FORM 990, AND APPLIES A CIRCUMSTANCES-BASED APPROACH FOCUSING ON COMPENSATION AS AN EMPLOYEE, COMPENSATION AS AN INDEPENDENT CONTRACTOR (EXCLUSIVE OF REASONABLE COMPENSATION FOR SERVING ON THE BOARD), AND A DOLLAR THRESHOLD FOR PAYMENTS MADE TO OR RECEIVED FROM ANOTHER ORGANIZATION IN THE ORDINARY COURSE OF BUSINESS PLEASE SEE PAGE 19 OF THE 2010 FORM 990 INSTRUCTIONS FOR THE COMPLETE IRS DEFINITION ELLYN L BROWN IS A MEMBER OF THE BOARDS OF NYSE EURONEXT AND NYSE REGULATION, AND A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE NYSE RELATED ORGANIZATIONS PAID FINRA REGULATION $30,406,261 IN REGULATORY FEES FINRA REGULATION PAID NYSE RELATED ORGANIZATIONS $1,418,850 FOR TRANSITION AND SUPPORT SERVICES AND $287,000 FOR PASS-THROUGH FINES COLLECTED BY FINRA REGULATION AND REMITTED TO NYSE MARK S CASADY IS THE CHAIRMAN AND CEO OF LPL FINANCIAL AND A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE LPL FINANCIAL PAID FINRA REGULATION $14,610,929 FOR REGULATORY SERVICES MARK S CASADY IS A MEMBER OF THE BOARD OF UVEST FINANCIAL SERVICES GROUP AND A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE UVEST FINANCIAL SERVICES GROUP IS A WHOLLY OWNED SUBSIDIARY OF LPL FINANCIAL OF WHICH MARK S CASADY IS THE CHAIRMAN AND CEO UVEST FINANCIAL SERVICES PAID FINRA REGULATION $1,190,707 FOR REGULATORY SERVICES JAMES F DUFFY WAS INTERIM CEO AND A MEMBER OF THE BOARD OF NYSE REGULATION, INC , AND DURING 2010 WAS A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE NYSE RELATED ORGANIZATIONS PAID FINRA REGULATION $30,406,261 FOR REGULATORY SERVICES FINRA REGULATION PAID NYSE RELATED ORGANIZATIONS $1,418,850 FOR TRANSITION AND SUPPORT SERVICES AND $287,000 FOR PASS-THROUGH FINES COLLECTED BY FINRA REGULATION AND REMITTED TO NYSE W DENNIS FERGUSON IS A PRINCIPAL OF STERNE AGEE FINANCIAL SERVICES AND IS A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE STERNE AGEE FINANCIAL SERVICES PAID FINRA REGULATION $350,285 FOR REGULATORY SERVICES W DENNIS FERGUSON IS THE DIRECTOR OF CLEARING FOR STERNE, AGEE & LEACH, INC AND IS A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE STERNE, AGEE & LEACH, INC PAID FINRA REGULATION $702,232 FOR REGULATORY SERVICES DR SHIRLEY ANN JACKSON IS CHAIRMAN OF NYSE REGULATION, INC , WAS A MEMBER OF THE BOARD OF NYSE EURONEXT DURING 2010, AND IS A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE NYSE RELATED ORGANIZATIONS PAID FINRA REGULATION $30,406,261 FOR REGULATORY SERVICES FINRA REGULATION PAID NYSE RELATED ORGANIZATIONS $1,418,850 FOR TRANSITION AND SUPPORT SERVICES AND $287,000 FOR PASS-THROUGH FINES COLLECTED BY FINRA REGULATION AND REMITTED TO NYSE RICHARD S PECHTER IS A MEMBER OF THE BOARD OF NYSE REGULATION, INC , AND A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE NYSE RELATED ORGANIZATIONS PAID FINRA REGULATION $30,406,261 FOR REGULATORY SERVICES FINRA REGULATION PAID NYSE RELATED ORGANIZATIONS $1,418,850 FOR TRANSITION AND SUPPORT SERVICES AND $287,000 FOR PASS-THROUGH FINES COLLECTED BY FINRA REGULATION AND REMITTED TO NYSE JOHN W SCHMIDLIN IS A MEMBER OF THE BOARD OF NYSE REGULATION, INC , AND A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE NYSE RELATED ORGANIZATIONS PAID FINRA REGULATION $30,406,261 FOR REGULATORY SERVICES FINRA REGULATION PAID NYSE RELATED ORGANIZATIONS $1,418,850 FOR TRANSITION AND SUPPORT SERVICES AND $287,000 FOR PASS-THROUGH FINES COLLECTED BY FINRA REGULATION AND REMITTED TO NYSE JAMES D WEDDLE IS MANAGING PARTNER OF EDWARD JONES AND A MEMBER OF THE FINRA REGULATORY POLICY COMMITTEE EDWARD JONES PAID FINRA REGULATION $23,493,222 FOR REGULATORY SERVICES

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
FINRA REGULATION INC

Employer identification number
52-1959501

Identifier	Return Reference	Explanation
VOLUNTARY DISCLOSURE FOR FINANCIAL INFORMATION		THE FINANCIAL INFORMATION INCLUDED IN THE FORM 990 IS PRESENTED ON A STAND-ALONE BASIS WITH ALL SIGNIFICANT INTERCOMPANY RECEIVABLE AND PAYABLE AMOUNTS ELIMINATED AND DOES NOT REPRESENT THE CONSOLIDATED RESULTS FOR FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC (FINRA) AND ITS SUBSIDIARIES THE FINANCIAL INFORMATION PRESENTED REFLECTS ESTIMATES OF OVERHEAD ALLOCATIONS THE 2010 FORM 990 SHOULD BE READ IN CONNECTION WITH THE 2010 FINRA ANNUAL FINANCIAL REPORT WHICH IS AVAILABLE ON WWW FINRA ORG SEE ALSO SEPARATE 2010 FORM 990S FOR RELATED ENTITIES, INCLUDING FINRA, FINRA DISPUTE RESOLUTION, INC , AND FINRA INVESTOR EDUCATION FOUNDATION

Identifier	Return Reference	Explanation
ORGANIZATION ACHIEVEMENTS OR PROGRAM SERVICES	FORM 990, PART III, LINE 4	FINRA IS THE LARGEST INDEPENDENT REGULATOR FOR ALL SECURITIES FIRMS DOING BUSINESS WITH THE PUBLIC IN THE UNITED STATES THROUGH FINRA REGULATION, FINRA OVERSEES NEARLY 4,600 BROKERAGE FIRMS, ABOUT 163,000 BRANCH OFFICES AND APPROXIMATELY 631,000 REGISTERED SECURITIES REPRESENTATIVES FINRA IS DEDICATED TO INVESTOR PROTECTION AND MARKET INTEGRITY THROUGH EFFECTIVE AND EFFICIENT REGULATION OF THE SECURITIES INDUSTRY 4A) MARKET REGULATION FINRA'S MARKET REGULATION DEPARTMENT OVERSEES AND REGULATES OVER-THE-COUNTER TRADING OF EXCHANGE-LISTED AND NON-EXCHANGE-LISTED SECURITIES FOR COMPLIANCE WITH FINRA RULES AND FEDERAL SECURITIES LAWS MARKET REGULATION ALSO PROVIDES REGULATORY SERVICES TO NASDAQ OMX, NASDAQ OMX PHLX, NASDAQ OMX BX, NYSE, NYSE AMEX, NYSE ARCA, BATS, THE INTERNATIONAL SECURITIES EXCHANGE AND DIRECT EDGE IN ADDITION, THIS AREA IS RESPONSIBLE FOR INSIDER-TRADING SURVEILLANCE FOR ALL NASDAQ-, NYSE- AND NYSE AMEX- LISTED ISSUES ACROSS ALL U S EXCHANGES, AS WELL AS CERTAIN TRADING RULES THAT ARE COMMON BETWEEN FINRA AND OTHER MARKETS MARKET REGULATION ALSO REGULATES TRADING IN CORPORATE AND MUNICIPAL DEBT INSTRUMENTS, AND EXAMINES MARKET-MAKING AND TRADING FIRMS TO ASSESS COMPLIANCE WITH EXCHANGES' AND FINRA TRADING RULES AND FEDERAL SECURITIES LAWS 4B) MEMBER REGULATION FINRA'S MEMBER REGULATION DEPARTMENT HAS A COMPREHENSIVE EXAMINATION PROGRAM WITH DEDICATED RESOURCES OF MORE THAN 1,100 EMPLOYEES STAFF FROM FINRA MEMBER REGULATION CONDUCT REGULAR EXAMINATIONS ON A SCHEDULE THAT IS ESTABLISHED BASED ON A RISK-PROFILE MODEL IN ADDITION, MEMBER REGULATION CONDUCTS TARGETED EXAMINATIONS BASED ON INVESTOR COMPLAINTS, REFERRALS FROM OTHER FINRA DEPARTMENTS, TERMINATIONS OF BROKERAGE EMPLOYEES FOR CAUSE, ARBITRATIONS AND REFERRALS FROM OTHER REGULATORS MEMBER REGULATION ALSO DETERMINES EXAMINATION PRIORITIES AND CONDUCTS SPECIAL "SWEEPS" TO TARGET ISSUES OF IMMEDIATE CONCERN IN 2010, FINRA MEMBER REGULATION CONDUCTED ALMOST 2,500 REGULAR EXAMINATIONS AND NEARLY 7,300 TARGETED AND SWEEP EXAMINATIONS 4C) ENFORCEMENT FEDERAL LAW GIVES FINRA THE AUTHORITY TO DISCIPLINE SECURITIES FIRMS AND INDIVIDUALS IN THE SECURITIES INDUSTRY WHO VIOLATE THE FEDERAL SECURITIES LAWS AND RULES AS WELL AS FINRA AND MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULES THROUGH ITS ENFORCEMENT AND MARKET REGULATION DEPARTMENTS, FINRA BRINGS DISCIPLINARY ACTIONS AGAINST FIRMS AND THEIR EMPLOYEES THAT MAY RESULT IN SANCTIONS INCLUDING CENSURES, FINES, SUSPENSIONS AND, IN EGREGIOUS CASES, EXPULSION OR BARS FROM THE INDUSTRY IN APPROPRIATE CASES, FINRA WILL REQUIRE FIRMS TO PROVIDE RESTITUTION TO HARMED INVESTORS AND OFTEN IMPOSES OTHER CONDITIONS ON A FIRM'S BUSINESS TO PREVENT REPEATED WRONGDOING IN 2010, FINRA EXPELLED OR SUSPENDED 15 FIRMS, BARRED 288 INDIVIDUALS FROM THE INDUSTRY AND SUSPENDED 428 OTHERS 4D) REGISTRATION AND DISCLOSURE ANY PERSON ENGAGED IN THE SECURITIES BUSINESS OF THE FIRM INCLUDING PARTNERS, OFFICERS, DIRECTORS, BRANCH MANAGERS, DEPARTMENT SUPERVISORS AND SALESPERSONS MUST REGISTER WITH FINRA THROUGH ITS REGISTRATION AND DISCLOSURE DEPARTMENT, FINRA OPERATES WEB CRD, THE CENTRAL LICENSING AND REGISTRATION SYSTEM FOR THE U S SECURITIES INDUSTRY AND ITS REGULATORS IT CONTAINS THE REGISTRATION RECORDS OF MORE THAN 4,600 REGISTERED BROKER-DEALERS AND MORE THAN 25,000 INVESTMENT ADVISERS, AND THE QUALIFICATION, EMPLOYMENT, AND DISCLOSURE HISTORIES OF MORE THAN 631,000 ACTIVE REGISTERED INDIVIDUALS, MAKING IT THE WORLD'S LARGEST AND MOST SOPHISTICATED ONLINE REGISTRATION AND REPORTING SYSTEM

Identifier	Return Reference	Explanation
BUSINESS AND FAMILY RELATIONSHIPS	FORM 990, PART VI, LINE 2	THE FOLLOWING FINRA REGULATORY POLICY COMMITTEE MEMBERS ALSO SERVE TOGETHER AS MEMBERS OF THE BOARD OF NYSE REGULATION JAMES F DUFFY (ALSO INTERIM CEO OF NYSE REGULATION THROUGH JULY 2010) ELLYN L BROWN (ALSO NYSE EURONEXT) DR SHIRLEY ANN JACKSON (ALSO NYSE EURONEXT) RICHARD S PECHTER JOHN W SCHMIDLIN

Identifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, LINE 6	FINRA IS THE SOLE NOT-FOR-PROFIT STOCKHOLDER OF FINRA REGULATION, INC

Identifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS	FORM 990, PART VI, LINE 7A	FINRA, THE SOLE NOT-FOR-PROFIT STOCKHOLDER, ELECTS ALL MEMBERS OF THE GOVERNING BODY

Identifier	Return Reference	Explanation
CLASSES OF PERSONS, DECISIONS REQUIRING APPROVAL & TYPE OF VOTING RIGHTS	FORM 990, PART VI, LINE 7B	FINRA, THE SOLE NOT-FOR-PROFIT STOCKHOLDER, RETAINS THE FOLLOWING AUTHORITY AND FUNCTIONS 1) TO EXERCISE OVERALL RESPONSIBILITY FOR ENSURING THAT THE ASSOCIATION'S STATUTORY AND SELF-REGULATORY OBLIGATIONS AND FUNCTIONS ARE FULFILLED 2) TO DELEGATE AUTHORITY TO THE SUBSIDIARIES TO TAKE ACTIONS ON BEHALF OF THE ASSOCIATION 3) TO ELECT THE SUBSIDIARY BOARDS OF DIRECTORS 4) TO REVIEW THE RULEMAKING AND DISCIPLINARY DECISIONS OF THE SUBSIDIARIES 5) TO COORDINATE ACTIONS OF THE SUBSIDIARY BOARDS AS NECESSARY 6) TO RESOLVE ANY DISPUTES AMONG THE SUBSIDIARIES 7) TO ADMINISTER COMMON OVERHEAD AND TECHNOLOGY OF THE SUBSIDIARIES 8) TO ADMINISTER THE OFFICE OF INTERNAL REVIEW AS PROVIDED IN THE ASSOCIATION'S BY-LAWS 9) TO MANAGE EXTERNAL ASSOCIATION RELATIONS ON MAJOR POLICY ISSUES 10) TO DIRECT THE SUBSIDIARIES TO TAKE ACTION NECESSARY TO EFFECTUATE THE PURPOSES AND FUNCTIONS OF THE ASSOCIATION 11) TO TAKE ACTION AB INITIO IN AN AREA OF RESPONSIBILITY DELEGATED TO SUBSIDIARIES

Identifier	Return Reference	Explanation
FORM 990 REVIEW PROCESS	FORM 990, PART VI, LINE 11	THE FORM 990 WAS REVIEWED BY SENIOR MANAGEMENT AT VARIOUS STEPS THROUGHOUT THE PREPARATION CYCLE THE AUDIT AND MANAGEMENT COMPENSATION COMMITTEES REVIEWED AND APPROVED THE ORGANIZATION'S 2010 FORM 990 ON SEPTEMBER 21, 2011 THE BOARD WAS PROVIDED ACCESS TO THE FINAL FORM 990 FOR REVIEW (VIA A WEBSITE FOR BOARD MEMBERS ONLY) PRIOR TO FILING

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICT OF INTEREST POLICY	FORM 990, PART VI, LINE 12C	THE ORGANIZATION HAS WRITTEN CONFLICT OF INTEREST POLICIES FOR BOARD MEMBERS AND EMPLOYEES THE WRITTEN CONFLICT OF INTEREST POLICY FOR BOARD MEMBERS REQUIRES INITIAL DISCLOSURE OF INTERESTS THAT COULD GIVE RISE TO CONFLICTS AS WELL AS ANNUAL DISCLOSURE BY THE SAME BOARD MEMBERS ADDITIONALLY, THE WRITTEN POLICY CONTAINS AN ONGOING OBLIGATION OF BOARD MEMBERS TO DISCLOSE POTENTIAL CONFLICTS OF INTEREST AS THEY ARISE EMPLOYEES ARE REQUIRED TO CERTIFY ANNUALLY AS TO THEIR COMPLIANCE WITH THE WRITTEN POLICY THE WRITTEN POLICY CONTAINS AN ONGOING OBLIGATION FOR EMPLOYEES TO INFORM FINRA OF ALL BROKERAGE ACCOUNTS IN WHICH THEY HAVE AN INTEREST AND TO ARRANGE FOR FINRA TO RECEIVE DUPLICATE ACCOUNT STATEMENTS FINRA REVIEWS TRANSACTIONS IN EMPLOYEES' BROKERAGE ACCOUNTS TO ENSURE COMPLIANCE WITH FINRA'S INVESTMENT RESTRICTIONS AMONG OTHER THINGS, THESE RESTRICTIONS PROHIBIT EMPLOYEES FROM HAVING AN INTEREST IN A BROKER-DEALER OR ENTITY THAT DERIVES 10% OR MORE OF ITS REVENUE, NET OF INTEREST EXPENSE, FROM BROKER-DEALER SUBSIDIARIES OR AFFILIATES A LIST OF PROHIBITED COMPANIES IS POSTED ON FINRA'S CORPORATE INTRANET FINRA'S DEPARTMENT HEADS HAVE ACCESS TO SEVERAL ONLINE REPORTS THAT HELP THEM AVOID ASSIGNING AN EMPLOYEE TO WORK ON A PROJECT THAT WOULD GIVE RISE TO A CONFLICT FOR INSTANCE, A MANAGER CAN DETERMINE WHETHER AN EMPLOYEE'S STOCK HOLDINGS WOULD CONFLICT WITH A PROPOSED FINRA ASSIGNMENT (E G , ASSIGNING AN EMPLOYEE TO NEGOTIATE A CONTRACT WITH A VENDOR IN WHICH THE EMPLOYEE HAS A SIGNIFICANT STOCK POSITION) EMPLOYEES ARE REGULARLY REMINDED OF THE RESOURCES THAT ARE AVAILABLE WHEN THEY ARE UNSURE WHAT TO DO IN ADDITION TO TALKING TO DEPARTMENTAL MANAGEMENT, EMPLOYEES CAN DISCUSS CONFLICT-RELATED CONCERNS WITH FINRA'S OFFICE OF GENERAL COUNSEL OR ETHICS MANAGER IF THEY ARE UNCOMFORTABLE DISCLOSING AN ISSUE AND DISCLOSING THEIR IDENTITY, THEY CAN USE FINRA'S 24-HOUR ETHICSPOINT HOTLINE TO POSE QUESTIONS OR REPORT CONCERNS COMMUNICATIONS MADE THROUGH ETHICSPOINT ARE CONFIDENTIAL AND, IF THE EMPLOYEE WISHES, ANONYMOUS FINRA'S WHISTLEBLOWER POLICY FORBIDS RETALIATION AGAINST EMPLOYEES WHO REPORT SUSPECTED MISCONDUCT IN GOOD FAITH, EVEN IF THE REPORT ULTIMATELY PROVES TO BE ERRONEOUS

Identifier	Return Reference	Explanation
PROCESS TO DETERMINE COMPENSATION OF TOP OFFICIALS, OFFICERS & KEY EMP	FORM 990, PART VI, LINES 15A AND 15B	THE MANAGEMENT COMPENSATION COMMITTEE OF THE FINRA BOARD OF GOVERNORS (THE "COMPENSATION COMMITTEE") IS RESPONSIBLE FOR SETTING PAY FOR EXECUTIVES OF FINRA AND SUBSIDIARIES WHOSE TOTAL COMPENSATION, INCLUDING INCENTIVE COMPENSATION, MAY EXCEED $1 MILLION THE COMMITTEE IS COMPRISED OF FOUR NON-EMPLOYEE, NON-SECURITIES INDUSTRY MEMBERS OF THE BOARD OF GOVERNORS THE COMMITTEE MET ON NOVEMBER 18, 2009, JANUARY 27, 2010, AND AGAIN ON FEBRUARY 9, 2010 TO ESTABLISH INCENTIVE COMPENSATION ATTRIBUTABLE TO THE PERFORMANCE OF SERVICES DURING CALENDAR YEAR 2009 AND TO ESTABLISH BASE SALARIES FOR CALENDAR YEAR 2010 THE COMMITTEE ENGAGED MERCER, INC ("MERCER"), A THIRD-PARTY COMPENSATION CONSULTANT, TO PREPARE A COMPENSATION STUDY FOR REVIEW AT THESE MEETINGS THE COMPENSATION STUDY INCLUDED THE COMPENSATION LEVELS DURING 2009 FOR ALL OF THE EXECUTIVES UNDER CONSIDERATION AS WELL AS COMPETITIVE COMPENSATION INFORMATION FOR EXECUTIVES EMPLOYED BY A MIX OF PUBLIC AND PRIVATE FINANCIAL INSTITUTIONS, INCLUDING BROKERAGE/BANKING FIRMS, SECURITIES EXCHANGES AND REGULATORS, THAT MERCER BELIEVED TO BE APPROPRIATE FOR COMPARISON PURPOSES TO FINRA THE COMMITTEE'S MINUTES OF THE NOVEMBER 18, 2009, JANUARY 27, 2010, AND FEBRUARY 9, 2010 MEETINGS WERE REVIEWED AND APPROVED AS ACCURATE AND COMPLETE FOLLOWING THE COMMITTEE'S APPROVAL OF THE SENIOR EXECUTIVE COMPENSATION PACKAGES THE FULL BOARD FURTHER APPROVED THE 2009 INCENTIVE COMPENSATION OF THE CEO AT ITS TELEPHONIC MEETING ON FEBRUARY 10, 2010 ALL COMPENSATION COMMITTEE MEMBERS VOTED FOR THE PROPOSED LEVEL OF EXECUTIVE COMPENSATION

Identifier	Return Reference	Explanation
PUBLIC AVAILABILITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY,	AND FINANCIAL STATEMENTS	FORM 990, PART VI, LINE 19 THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS AND THE FINRA CONSOLIDATED AUDITED FINANCIAL STATEMENTS AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
ESTIMATED AVERAGE HOURS PER WEEK	FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK	THE OFFICERS / KEY EMPLOYEES LISTED IN FORM 990, PART VII, DEVOTE AN AVERAGE TOTAL OF 60 HOURS PER WEEK TO THE FILING ORGANIZATION AND ANY OR ALL OF THE FOLLOWING RELATED ORGANIZATIONS FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC FINRA DISPUTE RESOLUTION, INC , AND FINRA INVESTOR EDUCATION FOUNDATION

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	OTHER CHANGES IN NET ASSETS OR FUND BALANCES PRIMARILY RELATE TO ANY OR ALL OF THE FOLLOWING CHANGES IN NET INCOME/(LOSS), UNRECOGNIZED EMPLOYEE BENEFIT PLAN AMOUNTS AND UNREALIZED GAIN/(L0SS) ON INVESTMENTS FOR ADDITIONAL INFORMATION PLEASE SEE THE FINRA 2010 ANNUAL FINANCIAL REPORT WHICH IS AVAILABLE ON WWW FINRA ORG

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
FINRA REGULATION INC

Employer identification number
52-1959501

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization Yes	No
(1) FINANCIAL IND REGULATORY AUTHORITY INC 1735 K STREET NW WASHINGTON, DC 20006 53-0088710	REGULATORY	DE	501(C)(6)		NA		
(2) FINRA DISPUTE RESOLUTION INC 1735 K STREET NW WASHINGTON, DC 20006 52-2187577	ARBITRATION	DE	501(C)(6)		FINRA		
(3) FINRA INVESTOR EDUCATION FOUNDATION 1735 K STREET NW WASHINGTON, DC 20006 20-0863779	EDUCATION	DE	501(C)(4)		FINRA		

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) NEW NASD HOLDING INC 1735 K STREET NW WASHINGTON, DC20006 52-2307595	HOLDING COMPANY	DE	FINRA	C-CORP	0	0	0 %
(2) SECURITIES DEALERS RISK PURCHASING GROUP 1735 K STREET NW WASHINGTON, DC20006 52-1953595	INSURANCE	DE	FINRA	C-CORP	0	0	0 %
(3) SECURITIES DEALERS INSURANCE CO VICTORIA HALL 11 VICTORIA STREET HM 11 HAMILTON BD	INSURANCE	BD	FINRA	C-CORP	0	0	0 %
(4) FINRA LIMITED 35 BROAD STREET LONDON, ENGLAND EC2MNH UK	EDUCATIONAL	UK	FINRA	C CORP	0	0	0 %

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

			Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b	Gift, grant, or capital contribution to other organization(s)	1b		No
c	Gift, grant, or capital contribution from other organization(s)	1c		No
d	Loans or loan guarantees to or for other organization(s)	1d		No
e	Loans or loan guarantees by other organization(s)	1e		No
f	Sale of assets to other organization(s)	1f		No
g	Purchase of assets from other organization(s)	1g		No
h	Exchange of assets	1h		No
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		No
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		No
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n	Sharing of paid employees	1n		No
o	Reimbursement paid to other organization for expenses	1o	Yes	
p	Reimbursement paid by other organization for expenses	1p	Yes	
q	Other transfer of cash or property to other organization(s)	1q		No
r	Other transfer of cash or property from other organization(s)	1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	**(b)** Transaction type(a-r)	**(c)** Amount involved	**(d)** Method of determining amount involved
(1) FINRA DISPUTE RESOLUTION INC	O	69,596	
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 52-1959501
Name: FINRA REGULATION INC

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
HARVEY J GOLDSCHMID CHAIR, REG POLICY COMMITTEE	3 0	X						0	63,262	0
JOEL R BLUMENSCHEIN PART-YR REGULATORY POLICY COMMITTEE	2 0	X						0	27,761	0
CHARLES A BOWSHER REGULATORY POLICY COMMITTEE	2 0	X						0	68,998	0
ELLYN L BROWN REGULATORY POLICY COMMITTEE	2 0	X						0	60,321	0
MARI BUECHNER PART-YR REGULATORY POLICY COMMITTEE	2 0	X						0	43,074	0
MARK S CASADY REGULATORY POLICY COMMITTEE	4 0	X						0	60,742	0
JAMES F DUFFY PART-YR REGULATORY POLICY COMMITTEE	2 0	X						0	41,464	0
W DENNIS FERGUSON REGULATORY POLICY COMMITTEE	3 0	X						0	64,839	0
DR SHIRLEY ANN JACKSON REGULATORY POLICY COMMITTEE	2 0	X						0	65,306	0
KEN NORENSBERG PART-YR REGULATORY POLICY COMMITTEE	2 0	X						0	30,261	0
RICHARD S PECHTER REGULATORY POLICY COMMITTEE	2 0	X						0	70,202	0
JOHN W SCHMIDLIN REGULATORY POLICY COMMITTEE	2 0	X						0	82,253	0
JOEL SELIGMAN REGULATORY POLICY COMMITTEE	2 0	X						0	55,323	0
G DONALD STEEL PART-YR REGULATORY POLICY COMMITTEE	2 0	X						0	50,085	0
JAMES D WEDDLE REGULATORY POLICY COMMITTEE	2 0	X						0	0	0
RICHARD G KETCHUM CEO	60 0			X				0	2,260,346	349,008
TODD T DIGANCI EXECUTIVE VP AND CFO	60 0			X				0	1,172,194	59,804
MARCIA E ASQUITH SENIOR VP AND CORP SECRETARY	60 0			X				0	588,243	51,325
SUSAN F AXELROD EXECUTIVE VICE PRESIDENT	60 0				X			771,735	0	59,506
T GRANT CALLERY EXEC VP AND GENERAL COUNSEL	60 0				X			0	705,205	111,280
MARTIN P COLBURN EXEC VP AND CTO	60 0				X			0	856,433	195,616
JAMES J CUMMINGS EXECUTIVE VICE PRESIDENT	60 0				X			643,127	0	100,075
JAMES P DONOVAN SENIOR EXECUTIVE VICE PRES	60 0				X			0	869,225	1,165,546
ROBERT C ERRICO EXECUTIVE VICE PRESIDENT	60 0				X			2,289,794	0	251,633
LINDA D FIENBERG PRESIDENT - DISPUTE RESOLUTION	60 0				X			0	893,494	80,505

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SAMUEL H GAER EXEC VP AND CIO	60 0				X			0	76,850	204,019
THOMAS R GIRA EXECUTIVE VICE PRESIDENT	60 0				X			795,476	0	119,377
DEREK W LINDEN EXECUTIVE VICE PRESIDENT	60 0				X			1,360,668	0	80,931
STEPHEN LUPARELLO SENIOR EXECUTIVE VICE PRES	60 0				X			1,370,526	0	62,363
MARC MENCHEL EXEC VP AND GENERAL COUNSEL	60 0				X			1,092,510	0	65,663
SUSAN L MERRILL EXECUTIVE VICE PRESIDENT	60 0				X			759,884	0	19,782
HOWARD M SCHLOSS EXECUTIVE VICE PRESIDENT	60 0				X			0	827,144	200,239
STEPHEN M SCHOENEMAN SENIOR VICE PRESIDENT	60 0				X			0	708,508	63,439
THOMAS M SELMAN EXECUTIVE VICE PRESIDENT	60 0				X			672,502	0	75,683
GRACE B VOGEL EXECUTIVE VICE PRESIDENT	60 0				X			1,210,481	0	65,030
CARLOTTA ROMANO SENIOR VICE PRESIDENT	60 0					X		1,048,765	0	60,904
MICHAEL RUFINO SENIOR VICE PRESIDENT	60 0					X		721,062	0	67,932
JAMES J SHORRIS EXEC VICE PRESIDENT AND COUNS	60 0					X		651,052	0	481,573
DANIEL M SIBEARS EXECUTIVE VICE PRESIDENT	60 0					X		708,521	0	99,788
WILLIAM J WOLLMAN SENIOR VICE PRESIDENT	60 0					X		630,069	0	48,275