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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

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 $ 715,973,148

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	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	2,659
6	Total number of volunteers (estimate if necessary)	6	
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	32,625
b	Net unrelated business taxable income from Form 990-T, line 34	7b	1,623

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	0	0
	9	Program service revenue (Part VIII, line 2g)	679,513,012	715,806,211
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,455	166,937
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	679,516,467	715,973,148
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	278,005	257,110
	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)	353,262,747	383,239,255
	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–24e)	363,469,630	420,369,477
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	717,010,382	803,865,842
	19	Revenue less expenses Subtract line 18 from line 12	-37,493,915	-87,892,694

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	38,378,143	19,407,982
	21	Total liabilities (Part X, line 26)	356,483,450	418,709,363
	22	Net assets or fund balances Subtract line 21 from line 20	-318,105,307	-399,301,381

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 | 2012-11-12 Date

▶ ROB RENNER VP/ASSISTANT CONTROLLER
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's taxpayer identification number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	ERNST & YOUNG US LLP TWO NORTH CENTRAL AVENUE STE 2300 PHOENIX, AZ 85004		EIN ▶ 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 organization's program service accomplishments for each of its three largest program services, as measured 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 instructions)?	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 for which 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 temporarily restricted endowments, permanent endowments, 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, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	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, Part 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, Part 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*	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.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	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 questions 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 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	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	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*	35b	Yes	
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	80			
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	2,659			
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 or securities 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.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			13a		
b	Enter the aggregate 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 aggregate 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 13			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 6			
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	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		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	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete 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 the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did 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," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 made 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 made 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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) 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 (do not check more than one box, unless person is both an officer and a director/trustee): 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)**	▶	10,771,671	12,353,537	2,470,076

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶1,260

			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**	Yes	
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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
PROMETRIC PO BOX 223608 PITTSBURGH, PA 15251	TESTING SERVICES	18,184,934
NCS PEARSON INCORPORATED 21866 NETWORK PLACE CHICAGO, IL 60673	TESTING SERVICES	6,276,278
TEK SYSTEMS INC PO BOX 198568 ATLANTA, GA 30384	TECH CONSULTING	1,215,911
KINETIX TECHNOLOGY PARTNERS INC 46643 WINTERSET COURT POTOMAC FALLS, VA 20165	TECH CONSULTING	952,850
TIGER TEAM CONSULTING LLC 11781 LEE JACKSON MEMORIAL HWY FAIRFAX, VA 22033	TECH CONSULTING	738,580

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶37

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	407,323,774	407,323,774		
	b	USER FEES	900099	152,544,924	152,512,299	32,625	
	c	CONTRACT SERVICE FEES	900099	84,005,417	84,005,417		
	d	FINES	900099	71,872,890	71,872,890		
	e	ALL OTHER PROGRAM SERVICE REVENUE	900099	59,206	59,206		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		715,806,211			
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		166,937			166,937

		(i) Real	(ii) Personal
6a	Gross rents		
b	Less rental expenses		
c	Rental income or (loss)		

			(A)	(B)	(C)	(D)
6d	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)		

			(A)	(B)	(C)	(D)
7d	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 . . .		715,973,148	715,773,586	32,625	166,937

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

	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 United States See Part IV, line 21	257,110			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States 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	8,596,071			
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	291,215,656			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	40,679,466			
9	Other employee benefits	23,226,311			
10	Payroll taxes	19,521,751			
11	Fees for services (non-employees)				
a	Management	4,869,889			
b	Legal	632,896			
c	Accounting	121,173			
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	23,575,797			
12	Advertising and promotion	36,264			
13	Office expenses	4,728,539			
14	Information technology	84,317,646			
15	Royalties . .	0			
16	Occupancy	48,565,657			
17	Travel	13,335,627			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	2,336,626			
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	13,159,287			
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	221,143,880			
b	TEMPORARY HELP	1,260,326			
c	BAD DEBT EXPENSE	1,447,008			
d	PUBLICATIONS/PRINTING	403,655			
e					
f	All other expenses	435,207			
25	**Total functional expenses.** Add lines 1 through 24f	803,865,842			
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			-820,420	1	-1,402,639
	2	Savings and temporary cash investments			0	2	0
	3	Pledges and grants receivable, net			0	3	0
	4	Accounts receivable, net			30,038,428	4	10,917,777
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			0	6	0
	7	Notes and loans receivable, net			0	7	0
	8	Inventories for sale or use			0	8	0
	9	Prepaid expenses and deferred charges			566,141	9	511,897
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a	170,467,160			
	b	Less accumulated depreciation	10b	163,107,762	2,153,266	10c	7,359,398
	11	Investments—publicly traded securities			0	11	0
	12	Investments—other securities See Part IV, line 11			0	12	0
	13	Investments—program-related See Part IV, line 11			0	13	0
	14	Intangible assets			634,247	14	547,057
	15	Other assets See Part IV, line 11			5,806,481	15	1,474,492
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)			38,378,143	16	19,407,982
Liabilities	17	Accounts payable and accrued expenses			292,665,981	17	357,136,261
	18	Grants payable			0	18	0
	19	Deferred revenue			63,817,469	19	61,573,102
	20	Tax-exempt bond liabilities			0	20	0
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			0	23	0
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			0	25	0
	26	**Total liabilities.** Add lines 17 through 25			356,483,450	26	418,709,363
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			-368,455,307	32	-449,651,381
	33	Total net assets or fund balances			-318,105,307	33	-399,301,381
	34	Total liabilities and net assets/fund balances			38,378,143	34	19,407,982

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	715,973,148
2	Total expenses (must equal Part IX, column (A), line 25)	2	803,865,842
3	Revenue less expenses Subtract line 2 from line 1	3	-87,892,694
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	-318,105,307
5	Other changes in net assets or fund balances (explain in Schedule O)	5	6,696,620
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	-399,301,381

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		

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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, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
FINRA REGULATION INC

Employer identification number
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)
- ☐ Preservation of an historically importantly land area
- ☐ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☐ Preservation of open space

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
d ☐ Loan or exchange programs
b ☐ Scholarly research
e ☐ Other
c ☐ Preservation for future generations

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

Description of property	**(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		28,231,436	26,511,481	1,719,955
d Equipment		12,289,133	11,863,475	425,658
e Other		129,946,591	124,732,806	5,213,785
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				7,359,398

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 SHORT TERM	1,474,492
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	1,474,492

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
See Additional Data Table	
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 2008 TO 2011, 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 STATEMENTS 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

2011

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. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

(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) CONSUMER FEDERATION OF AMERICA 1620 I STREET NW WASHINGTON, DC 20006	52-0880625	501(C)(3)	55,000				INVESTOR ISSUES
(2) AMERICAN RED CROSS PO BOX 4002018 DES MOINES, IA 50340	53-0196605	501(c)(3)	43,385				TSUNAMI RELIEF FUND
(3) EMPLOYEE BENEFIT RESEARCH INSTITUTE 1100 13TH STREET NW WASHINGTON, DC 20005	52-1190398	501(C)(3)	32,500				SUSTAINING PARTNER CONTRIBUTION
(4) OPERATION HOPE707 WILSHIRE BLVD LOS ANGELES, CA 90017	93-0959834	501(C)(3)	25,000				FLOOD RELIEF
(5) AUTISM SPEAKS1 E 33RD STREET NEW YORK, NY 10016	20-2329938	501(C)(3)	15,000				AWARD DINNER
(6) JUMPSTART COALITION FOR PERSONAL LITERACY919 18TH ST NW 300 WASHINGTON, DC 20006	52-2031287	501(C)(3)	15,000				AWARD DINNER
(7) ORPHEUS CHAMBER ORCHESTRA490 RIVERSIDE DRIVE 11TH FLOOR NEW YORK, NY 10027	23-7362572	501(C)(3)	15,000				AWARD DINNER
(8) SECURITIES AND EXCHANGE COMMISSION HISTORICAL1101 PENNSYLVANIA AVE WASHINGTON, DC 20004	52-2213646	501(C)(3)	15,000				AWARD DINNER
(9) APPLESEED FOUNDATION INC727 15TH STREET 11TH FL NEW YORK, NY 20005	52-1835698	501(C)(3)	10,000				AWARD DINNER
(10) TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA3620 LOCUST WALK PHILADELPHIA, PA 19104	23-1352685	501(C)(3)	10,000				AWARD DINNER

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 10

3 Enter total number of other organizations listed in the line 1 table . . . ▶

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	VOLUNTARY DISCLOSURE FOR EBRI CONTRIBUTION	FINRA REGULATION CONTRIBUTED A TOTAL OF $32,500 IN 2011 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 (THROUGH DECEMBER 2011), IS PRESIDENT AND CEO THIS INCLUDES $7,500 IN SUPPORT OF THE EBRI RETIREMENT CONFIDENCE SURVEY FOR 2012, 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 2011 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

Additional Data

Return to Form

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

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CONSUMER FEDERATION OF AMERICA1620 I STREET NW WASHINGTON,DC 20006	52-0880625	501(C)(3)	55,000				INVESTOR ISSUES
AMERICAN RED CROSSPO BOX 4002018 DES MOINES,IA 50340	53-0196605	501(c)(3)	43,385				TSUNAMI RELIEF FUND

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
EMPLOYEE BENEFIT RESEARCH INSTITUTE1100 13TH STREET NW WASHINGTON,DC 20005	52-1190398	501(C)(3)	32,500				SUSTAINING PARTNER CONTRIBUTION
OPERATION HOPE 707 WILSHIRE BLVD LOS ANGELES,CA 90017	93-0959834	501(C)(3)	25,000				FLOOD RELIEF

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
AUTISM SPEAKS1 E 33RD STREET NEW YORK, NY 10016	20-2329938	501(C)(3)	15,000				AWARD DINNER
JUMPSTART COALITION FOR PERSONAL LITERACY919 18TH ST NW 300 WASHINGTON, DC 20006	52-2031287	501(C)(3)	15,000				AWARD DINNER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
ORPHEUS CHAMBER ORCHESTRA490 RIVERSIDE DRIVE 11TH FLOOR NEW YORK,NY 10027	23-7362572	501(C)(3)	15,000				AWARD DINNER
SECURITIES AND EXCHANGE COMMISSION HISTORICAL1101 PENNSYLVANIA AVE WASHINGTON,DC 20004	52-2213646	501(C)(3)	15,000				AWARD DINNER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
APPLESEED FOUNDATION INC 727 15TH STREET 11TH FL NEW YORK, NY 20005	52-1835698	501(C)(3)	10,000				AWARD DINNER
TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA 3620 LOCUST WALK PHILADELPHIA, PA 19104	23-1352685	501(C)(3)	10,000				AWARD DINNER

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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
2011
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?	**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 Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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								

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 COMPANION MEALS, GROUND TRANSPORTATION AND AIRPORT PARKING ARE AT THE EMPLOYEE'S EXPENSE AND CANNOT BE CHARGED TO THE CORPORATE CREDIT CARD OR SUBMITTED FOR REIMBURSEMENT 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 IRS 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 $212,697 66 IN 2011 IN CONNECTION WITH JAMES P DONOVAN'S SEPARATION FROM FINRA, HE WAS PAID $367,307 11 IN 2011 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 STEPHEN LUPARELLO - $24,554 MARC MENCHEL - $297,850 GARY K LIEBOWITZ - $411,447 (CLIFF) PARTICIPANTS IN THE SUPPLEMENTAL NON-QUALIFIED DEFINED BENEFIT PLAN THAT HAD A GROSS TAXABLE PAYOUT INCLUDE NONE 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 2011 INCLUDE RICHARD G KETCHUM - $892,140 JAMES P DONOVAN - $366,070 PARTICIPANTS IN THE SUPPLEMENTAL NON-QUALIFIED DEFINED CONTRIBUTION BENEFIT PLAN THAT HAD A GROSS TAXABLE PAYOUT INCLUDE NONE

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			(C) 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 compensation				
RICHARD G KETCHUM	(i) (ii)	979,862	1,200,000	920,124	42,384	26,814	3,169,184	483,350
TODD T DIGANCI	(i) (ii)	476,030	660,000	29,890	33,238	25,500	1,224,658	
MARCIA E ASQUITH	(i) (ii)	222,553	225,000	24,096	70,847	34,138	576,634	
SUSAN F AXELROD	(i) (ii)	320,092	350,000	1,080	99,179	39,898	810,249	
J BRADLEY BENNETT	(i) (ii)	400,228		98,700	90,050	5,406	594,384	
T GRANT CALLERY	(i) (ii)	355,363	297,000	35,289	81,751	31,373	800,776	
MARTIN P COLBURN	(i) (ii)	382,398	430,000	20,469	110,762	29,069	972,698	
JAMES J CUMMINGS	(i) (ii)	203,275	310,000	156,911	50,019	33,905	754,110	
JAMES P DONOVAN	(i) (ii)	132,566	500,000	777,502	119,699	1,536	1,531,303	1,082,909
ROBERT C ERRICO	(i) (ii)		342,000	212,698		5,352	560,050	212,698
LINDA D FIENBERG	(i) (ii)	440,248	417,800	32,132	62,263	17,246	969,689	
SAMUEL H GAER	(i) (ii)	495,092	200,000	2,490	108,218	23,516	829,316	200,000
THOMAS R GIRA	(i) (ii)	376,037	425,000	8,125	78,791	33,974	921,927	
TRACY B JOHNSON	(i) (ii)	266,175		40,688	59,365	11,781	378,009	
DEREK W LINDEN	(i) (ii)	307,915	280,000	14,733	44,391	23,772	670,811	
STEPHEN LUPARELLO	(i) (ii)	590,030	690,000	41,655	34,415	28,029	1,384,129	
MARC MENCHEL	(i) (ii)	390,734	400,000	305,051	38,232	30,181	1,164,198	
HOWARD M SCHLOSS	(i) (ii)	422,030	325,000	10,525	31,493	40,966	830,014	

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			(C) 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 compensation				
STEPHEN M SCHOENEMAN	(i) (ii)	305,080	250,000	22,487	87,109	31,759	696,435	
THOMAS M SELMAN	(i) (ii)	336,385	315,000	22,255	62,590	20,826	757,056	
GRACE B VOGEL	(i) (ii)	346,952	500,000	20,060	118,856	34,742	1,020,610	
GARY K LIEBOWITZ	(i) (ii)	285,537	182,000	416,553	42,831	33,076	959,997	
JOHN F MALITZIS	(i) (ii)	317,538	350,000	2,198	92,381	20,665	782,782	
ROBERT A MARCHMAN	(i) (ii)	319,565	330,000	20,140	102,504	36,969	809,178	
JAMES J SHORRIS	(i) (ii)	76,057	300,000	393,800	82,455	8,381	860,693	
DANIEL M SIBEARS	(i) (ii)	359,435 0	300,000 0	24,118 0	54,002 0	43,377 0	780,932 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
2011
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	68,455,563	SCHEDULE L, PART V		No
(2) EDWARD JONES	SCHEDULE L, PART V	37,962,311	SCHEDULE L, PART V		No
(3) LPL FINANCIAL	SCHEDULE L, PART V	16,617,929	SCHEDULE L, PART V		No
(4) UVEST FINANCIAL SERVICES GROUP	SCHEDULE L, PART V	571,086	SCHEDULE L, PART V		No
(5) STERNE AGEE FINANCIAL SERVICES	SCHEDULE L, PART V	363,019	SCHEDULE L, PART V		No
(6) STERN AGEE LEACH	SCHEDULE L, PART V	128,646	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 17 OF THE 2011 FORM 990 INSTRUCTIONS FOR THE COMPLETE IRS DEFINITION ELLYN L BROWN IS A MEMBER OF THE BOARDS OF NYSE EURONEXT AND NYSE REGULATION, AND WAS A MEMBER OF THE FINRA REGULATION, INC BOARD OF DIRECTORS NYSE RELATED ORGANIZATIONS PAID FINRA REGULATION, INC $62,678,180 IN REGULATORY FEES FINRA REGULATION, INC PAID NYSE RELATED ORGANIZATIONS $778,078 FOR TRANSITION AND SUPPORT SERVICES AND $4,999,305 FOR PASS-THROUGH FINES COLLECTED BY FINRA REGULATION, INC AND REMITTED TO NYSE MARK S CASADY IS THE CHAIRMAN AND CEO OF LPL FINANCIAL AND A MEMBER OF THE FINRA REGULATION, INC BOARD OF DIRECTORS LPL FINANCIAL PAID FINRA REGULATION, INC $16,617,929 FOR REGULATORY SERVICES MARK S CASADY IS A MEMBER OF THE BOARD OF UVEST FINANCIAL SERVICES GROUP AND A MEMBER OF THE FINRA REGULATION INC BOARD OF DIRECTORS 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, INC $571,086 FOR REGULATORY SERVICES W DENNIS FERGUSON IS A PRINCIPAL OF STERNE AGEE FINANCIAL SERVICES AND IS A MEMBER OF THE FINRA REGULATION, INC BOARD OF DIRECTORS STERNE AGEE FINANCIAL SERVICES PAID FINRA REGULATION, INC $363,019 FOR REGULATORY SERVICES W DENNIS FERGUSON IS THE DIRECTOR OF CLEARING FOR STERNE, AGEE & LEACH, INC AND IS A MEMBER OF THE FINRA REGULATION, INC BOARD OF DIRECTORS STERNE, AGEE & LEACH, INC PAID FINRA REGULATION, INC $128,646 FOR REGULATORY SERVICES DR SHIRLEY ANN JACKSON IS CHAIRMAN OF NYSE REGULATION, INC , WAS A MEMBER OF THE BOARD OF NYSE EURONEXT DURING 2011, AND IS A MEMBER OF THE FINRA REGULATION, INC BOARD OF DIRECTORS NYSE RELATED ORGANIZATIONS PAID FINRA REGULATION, INC $62,678,180 FOR REGULATORY SERVICES FINRA REGULATION, INC PAID NYSE RELATED ORGANIZATIONS $778,078 FOR TRANSITION AND SUPPORT SERVICES AND $4,999,305 FOR PASS-THROUGH FINES COLLECTED BY FINRA REGULATION, INC AND REMITTED TO NYSE RICHARD S PECHTER IS A MEMBER OF THE BOARD OF NYSE REGULATION, INC , AND A MEMBER OF THE FINRA REGULATION, INC BOARD OF DIRECTORS NYSE RELATED ORGANIZATIONS PAID FINRA REGULATION, INC $62,678,180 FOR REGULATORY SERVICES FINRA REGULATION, INC PAID NYSE RELATED ORGANIZATIONS $778,078 FOR TRANSITION AND SUPPORT SERVICES AND $4,999,305 FOR PASS-THROUGH FINES COLLECTED BY FINRA REGULATION, INC AND REMITTED TO NYSE JOHN W SCHMIDLIN IS A MEMBER OF THE BOARD OF NYSE REGULATION, INC , AND A MEMBER OF THE FINRA REGULATION, INC BOARD OF DIRECTORS NYSE RELATED ORGANIZATIONS PAID FINRA REGULATION, INC $62,678,180 FOR REGULATORY SERVICES FINRA REGULATION, INC PAID NYSE RELATED ORGANIZATIONS $778,078 FOR TRANSITION AND SUPPORT SERVICES AND $4,999,305 FOR PASS-THROUGH FINES COLLECTED BY FINRA REGULATION, INC AND REMITTED TO NYSE JAMES D WEDDLE IS THE MANAGING PARTNER OF EDWARD JONES AND A MEMBER OF THE FINRA REGULATION, INC BOARD OF DIRECTORS EDWARD JONES PAID FINRA REGULATION, INC $37,962,311 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

2011

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 2011 FORM 990 SHOULD BE READ IN CONNECTION WITH THE 2011 FINRA ANNUAL FINANCIAL REPORT WHICH IS AVAILABLE ON WWW FINRA ORG SEE ALSO SEPARATE 2011 FORM 990'S FOR RELATED ENTITIES, INCLUDING FINRA, FINRA DISPUTE RESOLUTION, INC , AND FINRA INVESTOR EDUCATION FOUNDATION

Identifier	Return Reference	Explanation
ORGANIZATION ACHIEVEMENTS AND 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 4,500 BROKERAGE FIRMS, ABOUT 160,000 BRANCH OFFICES AND APPROXIMATELY 630,000 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, THE INTERNATIONAL SECURITIES EXCHANGE AND DIRECT EDGE 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 2011, FINRA MEMBER REGULATION CONDUCTED ALMOST 2,400 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 2011, FINRA EXPELLED OR SUSPENDED 21 FIRMS, BARRED 329 INDIVIDUALS FROM THE INDUSTRY AND SUSPENDED 475 OTHERS 4D) OFFICE OF FRAUD DETECTION AND MARKET INTELLIGENCE FINRA'S OFFICE OF FRAUD DETECTION AND MARKET INTELLIGENCE (OFDMI)PROVIDES A HEIGHTENED AND EXPEDITED REVIEW OF ALLEGATIONS OF SERIOUS FRAUDS, A CENTRALIZED POINT OF CONTACT INTERNALLY AND EXTERNALLY ON FRAUD ISSUES, AND CONSOLIDATES RECOGNIZED EXPERTISE IN EXPEDITED FRAUD DETECTION AND INVESTIGATION IN ADDITION, THIS DEPARTMENT IS RESPONSIBLE FOR CONDUCTING INSIDER-TRADING AND FRAUD SURVEILLANCE FOR ALL OTC, NASDAQ-, NYSE AND NYSE AMEX- LISTED ISSUES ACROSS ALL U S EXCHANGES THE DEPARTMENT IS ALSO RESPONSIBLE FOR THE TRIAGE REVIEW OF COMPLAINTS AND B/D FILINGS AS WELL AS WHISTLEBLOWER TIPS IN 2011, OFDMI REFERRED OVER 700 MATTERS INVOLVING POTENTIAL FRAUD TO THE SEC, OTHER FEDERAL STATE LAW ENFORCEMENT AGENCIES OR OTHER INTERNAL FINRA DEPARTMENTS THESE REFERRALS INVOLVED POTENTIAL INSIDER TRADING, MICROCAP FRAUD, PONZI-TYPE SCHEMES OR OTHER SUSPICIOUS ACTIVITY 4E) 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 630,000 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 REGULATION, INC DIRECTORS ALSO SERVED TOGETHER AS MEMBERS OF THE BOARD OF NYSE REGULATION IN 2011 ELLYN L BROWN (ALSO NYSE EURONEXT) DR SHIRLEY ANN JACKSON (ALSO NYSE EURONEXT) RICHARD S PECHTER JOHN W SCHMIDLIN THE FOLLOWING FINRA REGULATION, INC DIRECTORS ALSO SERVED TOGETHER AS MEMBERS OF THE NYSE REGULATION'S COMMITTEE FOR REVIEW ELLYN L BROWN (ALSO NYSE EURONEXT) JOHN F X DOLAN 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 2011 FORM 990 ON SEPTEMBER 12, 2012 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 THE CODE OF CONDUCT POLICY REQUIRES EMPLOYEES 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 "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 8, 2010, DECEMBER 7, 2010, JANUARY 24, 2011, AND AGAIN ON FEBRUARY 2, 2011 TO ESTABLISH INCENTIVE COMPENSATION ATTRIBUTABLE TO THE PERFORMANCE OF SERVICES DURING CALENDAR YEAR 2010 AND TO ESTABLISH BASE SALARIES FOR CALENDAR YEAR 2011 AS A GENERAL POLICY, FINRA HAS DETERMINED ITS COMPETITIVE COMPENSATION POSITIONING SHOULD BE CONSIDERED AGAINST A BROAD SECTION OF FINANCIAL SERVICES/CAPITAL MARKET COMPANIES, AS THIS SECTOR IS THE MOST LIKELY FROM WHICH WE RECRUIT TALENT AND TALENT IS RECRUITED FROM US WE ALSO BENCHMARK AGAINST GENERAL INDUSTRY POSITIONS AND LAW DEPARTMENTS FOR JOBS THAT ARE NOT UNIQUE TO THE FINANCIAL SERVICES INDUSTRY THE COMMITTEE ENGAGED MERCER, INC ("MERCER"), A THIRD-PARTY COMPENSATION CONSULTANT, TO PREPARE A COMPENSATION STUDY FOR REVIEW AT THESE MEETINGS IN DETERMINING A BENCHMARKING STRATEGY FOR KEY EXECUTIVES, FINANCIAL SERVICES ORGANIZATIONS (BROKER-DEALERS, INVESTMENT BANKS, FEDERAL RESERVE BANKS, COMMERCIAL BANKS, INSURANCE COMPANIES, EXCHANGES AND REGULATORS) WERE DETERMINED TO BE THE MOST RELEVANT GROUPS FOR COMPARISON PURPOSES THE COMMITTEE AND MERCER ENGAGED IN SUBSTANTIAL RESEARCH AND CONSIDERATION OF THE FUNCTIONS AND OPERATIONS OF SEVERAL POTENTIAL COMPARATORS AS WELL AS GENERAL COMPETITIVE CONDITIONS IN DETERMINING SALARY AND INCENTIVE COMPENSATION, MANAGEMENT AND THE COMMITTEE ALSO CONSIDER OPERATIONAL, STRATEGIC AND FINANCIAL FACTORS IN ADDITION TO INDIVIDUAL PERFORMANCE THE COMMITTEE'S MINUTES OF THE NOVEMBER 8, 2010, DECEMBER 7, 2010, JANUARY 24, 2011 AND FEBRUARY 2, 2011 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 2010 INCENTIVE COMPENSATION OF THE CEO AT ITS MEETING ON FEBRUARY 2, 2011 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 2011 ANNUAL FINANCIAL REPORT WHICH IS AVAILABLE ON WWW FINRA ORG

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT AND DISCLOSURE	FORM 990, PART VI, LINE 4	FINRA REGULATION, INC AMENDED ITS BY-LAWS WITH REGARD TO DISTRICT COMMITTEE STRUCTURE AND GOVERNANCE.

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

2011

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 200061506 53-0088710	REGULATORY	DE	501(C)(6)		NA		No
(2) FINRA DISPUTE RESOLUTION INC 1735 K STREET NW WASHINGTON, DC 200061506 52-2187577	ARBITRATION	DE	501(C)(6)		FINRA	Yes	
(3) FINRA INVESTOR EDUCATION FOUNDATION 1735 K STREET NW WASHINGTON, DC 200061506 20-0863779	EDUCATION	DE	501(C)(6)		FINRA	Yes	

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? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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, DC 200061506 52-2307595	HOLDING COMPANY	DE	FINRA	C-CORP	0	0	
(2) SECURITIES DEALERS RISK PURCHASING GROUP 1735 K STREET NW WASHINGTON, DC 200061506 52-1953595	INSURANCE	DE	FINRA	C-CORP	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 related organization(s)	**1b**		No
c	Gift, grant, or capital contribution from related organization(s)	**1c**		No
d	Loans or loan guarantees to or for related organization(s)	**1d**		No
e	Loans or loan guarantees by related organization(s)	**1e**		No
f	Sale of assets to related organization(s)	**1f**		No
g	Purchase of assets from related organization(s)	**1g**		No
h	Exchange of assets with related organization(s)	**1h**		No
i	Lease of facilities, equipment, or other assets to related organization(s)	**1i**		No
j	Lease of facilities, equipment, or other assets from related organization(s)	**1j**		No
k	Performance of services or membership or fundraising solicitations for related organization(s)	**1k**		No
l	Performance of services or membership or fundraising solicitations by related organization(s)	**1l**		No
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	**1m**		No
n	Sharing of paid employees with related organization(s)	**1n**		No
o	Reimbursement paid to related organization(s) for expenses	**1o**	Yes	
p	Reimbursement paid by related organization(s) for expenses	**1p**		No
q	Other transfer of cash or property to related organization(s)	**1q**		No
r	Other transfer of cash or property from related 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	943,807	FMV
(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) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(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		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, Special Condition Description:

Special Condition Description

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							63,292	
JED BANDES REGULATORY POLICY COMMITTEE	2 0	X							60,643	
JOEL R BLUMENSCHEIN REGULATORY POLICY COMMITTEE	2 0	X							55,248	
CHARLES A BOWSHER REGULATORY POLICY COMMITTEE	2 0	X							69,804	
ELLYN L BROWN REGULATORY POLICY COMMITTEE	2 0	X							60,429	
MARK S CASADY REGULATORY POLICY COMMITTEE	3 0	X							60,591	
W DENNIS FERGUSON REGULATORY POLICY COMMITTEE	3 0	X							69,887	
DR SHIRLEY ANN JACKSON REGULATORY POLICY COMMITTEE	2 0	X							65,125	
KEN NORENSBERG REGULATORY POLICY COMMITTEE	2 0	X							55,282	
RICHARD S PECHTER REGULATORY POLICY COMMITTEE	2 0	X							72,777	
JOHN W SCHMIDLIN REGULATORY POLICY COMMITTEE	2 0	X							65,613	
JOEL SELIGMAN REGULATORY POLICY COMMITTEE	2 0	X							55,269	
JAMES D WEDDLE REGULATORY POLICY COMMITTEE	2 0	X							31,502	
RICHARD G KETCHUM CEO	60 0			X					3,099,986	69,198
TODD T DIGANCI EXECUTIVE VP AND CFO	60 0			X					1,165,920	58,738
MARCIA E ASQUITH SENIOR VP AND CORP SECRETARY	60 0			X					471,649	104,985
SUSAN F AXELROD EXECUIVE VICE PRESIDENT	60 0				X			671,172		139,077
J BRADLEY BENNETT EXECUTIVE VICE PRESIDENT	60 0				X			498,928		95,456
T GRANT CALLERY EXEC VP AND GENERAL COUNSEL	60 0				X				687,652	113,124
MARTIN P COLBURN EXEC VP AND CTO	60 0				X				832,867	139,831
JAMES J CUMMINGS EXECUTIVE VICE PRESIDENT	60 0				X				670,186	83,924
JAMES P DONOVAN SENIOR EXECUTIVE VICE PRES	60 0				X				1,410,068	121,235
LINDA D FIENBERG PRESIDENT - DISPUTE RESOLUTION	60 0				X				890,180	79,509
SAMUEL H GAER EXEC VICE PRESIDENT & CIO	60 0				X				697,582	131,734
THOMAS R GIRA EXECUTIVE VICE PRESIDENT	60 0				X			809,162		112,765

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(A) Name and Title	(B) Average hours per week	(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
TRACY B JOHNSON SENIOR VICE PRESIDENT	60 0				X				306,863	71,146
DEREK W LINDEN EXECUTIVE VICE PRESIDENT	60 0				X			602,648		68,163
STEPHEN LUPARELLO VICE CHAIRMAN	60 0				X			1,321,685		62,444
MARC MENCHEL EXEC VP AND GENERAL COUNSEL	60 0				X			1,095,785		68,413
HOWARD M SCHLOSS EXECUTIVE VICE PRESIDENT	60 0				X				757,555	72,459
STEPHEN M SCHOENEMAN SENIOR VICE PRESIDENT	60 0				X				577,567	118,868
THOMAS M SELMAN EXECUTIVE VICE PRESIDENT	60 0				X			673,640		83,416
GRACE B VOGEL EXECUTIVE VICE PRESIDENT	60 0				X			867,012		153,598
GARY K LIEBOWITZ SENIOR VICE PRESIDENT	60 0					X		884,090		75,907
JOHN F MALITZIS EXECUTIVE VICE PRESIDENT	60 0					X		669,736		113,046
ROBERT A MARCHMAN EXECUTIVE VICE PRESIDENT	60 0					X		669,705		139,473
JAMES J SHORRIS EXECUTIVE VICE PRESIDENT	60 0					X		769,857		90,836
DANIEL M SIBEARS EXECUTIVE VICE PRESIDENT	60 0					X		683,553	0	97,379
ROBERT C ERRICO EXECUTIVE VICE PRES							X	554,698		5,352