

**COMPARISON CHART OF
CURRENT AND PROPOSED NASD CODE OF MEDIATION PROCEDURE**

PROPOSED RULE	CURRENT RULE
14100. Definitions (a) Board The term “Board” means the Board of Directors of NASD Dispute Resolution, Inc. (b) Code The term “Code” means the NASD Code of Mediation Procedure. (c) Director The term “Director of Mediation” refers to the Director of Mediation at NASD Dispute Resolution. Unless the Code or any other NASD rule provides otherwise, the term includes NASD staff to whom the Director has delegated authority. (d) Matter The term “matter” means a dispute, claim, or controversy. (e) NAMC The term “NAMC” means the National Arbitration and Mediation Committee of the Board of Directors of NASD Dispute Resolution, Inc. (f) NASD Unless the Code specifies otherwise, the term “NASD”	New Rule

PROPOSED RULE	CURRENT RULE
includes NASD, Inc., and NASD Dispute Resolution, Inc. (g) NASD Customer Code The term “NASD Customer Code” means the NASD Code of Arbitration Procedure for Customer Disputes (h) NASD Industry Code The term “NASD Industry Code” means the NASD Code of Arbitration Procedure for Industry Disputes (i) Submission Agreement The term “Submission Agreement” means the NASD Mediation Submission Agreement. The NASD Mediation Submission Agreement is a document that parties must sign at the outset of a mediation in which they agree to submit to mediation under the Code.	
14101. Applicability of Code The Code applies to any matter submitted to mediation at NASD.	10401. Scope and Authority (a) The NASD Mediation Procedures (“Procedures”) set forth in this Rule 10400 Series shall apply to the mediation of any dispute, claim or controversy (“matter”) administered by the Association.
14102. National Arbitration and Mediation Committee (a) The Board shall appoint a National Arbitration and Mediation Committee (“NAMC”). (1) The NAMC shall consist of no fewer than ten and no more than 25 members. At least 50 percent of the NAMC shall be Non-Industry members. (2) The Chairperson of the Board shall name the	10401. Scope and Authority (b) A Director of Mediation shall be designated by the NASD Dispute Resolution Board to administer mediations under these Procedures. The Director will consult the National Arbitration and Mediation Committee on the administration of mediations and the Committee shall, as necessary, make recommendations to the Director of Arbitration and recommend to the NASD Dispute Resolution

PROPOSED RULE	CURRENT RULE
Chairperson of the NAMC. (b) The NAMC shall have the authority to recommend rules, regulations, procedures and amendments relating to arbitration, mediation, and other dispute resolution matters to the Board. All matters recommended by the NAMC to the Board must have been approved by a majority of the NAMC members present and voting. The NAMC has such other power and authority as is necessary to carry out the purposes of this Code. (c) The NAMC may meet as frequently as necessary, but must meet at least once a year.	Board amendments to the Procedures. The duties and functions of the Director may be delegated by the Director, as appropriate. For purposes of this Rule 10400 Series, the term "Director" refers to the Director of Mediation.
14103. Director of Mediation (a) The Board shall appoint a Director of Mediation to administer mediations under the Code. The Director will consult with the NAMC on the administration of mediations, as necessary. (b) The Director may delegate his or her duties when appropriate, unless the Code provides otherwise.	10401. Scope and Authority (b) A Director of Mediation shall be designated by the NASD Dispute Resolution Board to administer mediations under these Procedures. The Director will consult the National Arbitration and Mediation Committee on the administration of mediations and the Committee shall, as necessary, make recommendations to the Director of Arbitration and recommend to the NASD Dispute Resolution Board amendments to the Procedures. The duties and functions of the Director may be delegated by the Director, as appropriate. For purposes of this Rule 10400 Series, the term "Director" refers to the Director of Mediation.
14104. Mediation Under the Code (a) Mediation under the Code is voluntary, and requires the written agreement of all parties. No party may be compelled to participate in a mediation or to settle a matter by NASD, or any mediator appointed to mediate a matter pursuant to the Code.	10401. Scope and Authority (c) Neither the Association nor any mediator appointed to mediate a matter pursuant to these Procedures shall have any authority to compel a party to participate in a mediation or to settle a matter.

PROPOSED RULE	CURRENT RULE
(b) If all parties agree, any matter that is eligible for arbitration under the NASD Customer Code or NASD Industry Code, or any part of any such matter, or any dispute related to such matter, including procedural issues, may be submitted for mediation under the Code. (c). A matter is submitted to mediation when the Director receives an executed Submission Agreement from each party (d) The Director shall have the sole authority to determine if a matter is eligible to be submitted for mediation.	10402. Submission of Eligible Matters Any matter eligible for arbitration under this Code, any part thereof, or any issue related to the matter, including procedural issues, may be submitted for mediation under these Procedures upon the agreement of all parties. A matter will be deemed submitted when the Director has received an executed Submission Agreement from each party. The Director shall have the sole authority to determine if a matter is eligible to be submitted for mediation.
14105. Effect of Mediation on Arbitration Proceedings (a) Unless the parties agree otherwise, the submission of a matter for mediation will not stay or otherwise delay the arbitration of a matter pending at NASD. If all parties agree to stay an arbitration in order to mediate the matter, the arbitration will be stayed, notwithstanding any provision to the contrary in this Code or any other NASD rule. (b) If mediation is conducted through NASD, no postponement fees will be charged for staying the arbitration in order to mediate.	10403. Arbitration Proceedings (a) Unless the parties agree otherwise, the submission of a matter for mediation shall not stay or otherwise delay the arbitration of a matter pending under this Code. When all parties agree to stay the arbitration in order to mediate the claim, the arbitration proceeding shall be stayed, notwithstanding any provision to the contrary in this Code. (b) If mediation is conducted through NASD Dispute Resolution, Inc., no adjournment fees will be charged for staying the arbitration proceeding in order to mediate.
14106. Mediator Selection (a) A mediator may be selected: • By the parties from a list supplied by the Director; • By the parties from a list or other source of their own choosing; or	10404. Mediator Selection (a) A mediator may be selected: (1) by the parties from a list supplied by the Director; (2) by the parties from a list or other source of their own choosing; or (3) by the Director if the parties do not act to select a mediator after submitting a matter to mediation. (b) With respect to any mediator assigned or selected from

PROPOSED RULE	CURRENT RULE
By the Director if the parties do not select a mediator after submitting a matter to mediation. (b) For any mediator assigned or selected from a list provided by NASD, the parties will be provided with information relating to the mediator's employment, education, and professional background, as well as information on the mediator's experience, training, and credentials as a mediator. (c) Any mediator selected or assigned to mediate a matter shall comply with the provisions of NASD Customer Code Rule 12408 or NASD Industry Code Rule 13408, unless, with respect to a mediator selected from a source other than a list provided by NASD, the parties elect to waive such disclosure. (d) No mediator may serve as an arbitrator of any matter pending in NASD arbitration in which he served as a mediator; nor may the mediator represent any party or participant to the mediation in any subsequent NASD arbitration relating to the subject matter of the mediation.	a list provided by the Association, the parties will be provided with information relating to the mediator's employment, education, and professional background, as well as information on the mediator's experience, training, and credentials as a mediator. Any mediator selected or assigned to mediate a matter shall comply with the provisions of Rule 10312(a), (b) and (c), unless, with respect to a mediator selected from a source other than the Association's lists, the parties elect to waive such disclosure. (c) No mediator shall be permitted to serve as an arbitrator of any matter pending in Association arbitration in which he served as a mediator, nor shall the mediator be permitted to represent any party or participant to the mediation in any subsequent Association arbitration proceeding relating to the subject matter of the mediation.
14107. Limitation on Liability NASD, its employees, and any mediator named to mediate a matter under the Code shall not be liable for any act or omission in connection with a mediation administered under the Code.	10405. Limitation on Liability The Association, its employees, and any mediator named to mediate a matter under this Rule 10400 Series, shall not be liable for any act or omission in connection with a mediation administered pursuant to these Procedures.
14108. Mediation Ground Rules (a) The following Ground Rules govern the mediation of a matter. The parties to a mediation may agree to amend any or all of the Ground Rules at any time. The Ground Rules are intended to be standards of conduct for the parties and the mediator.	10406. Mediation Ground Rules (a) The following Ground Rules are established to govern the mediation of a matter. The parties to a mediation may agree to amend any or all of the Ground Rules at any time. The Ground Rules are intended to be standards of conduct for the parties and the mediator.

PROPOSED RULE	CURRENT RULE
(b) Mediation is voluntary and any party may withdraw from mediation at any time prior to the execution of a written settlement agreement by giving written notice of withdrawal to the mediator, the other parties, and the Director. (c) The mediator shall act as a neutral, impartial, facilitator of the mediation process and shall not have any authority to determine issues, make decisions or otherwise resolve the matter. (d) Following the selection of a mediator, the mediator, all parties and their representatives will meet in person or by conference call for all mediation sessions, as determined by the mediator or by mutual agreement of the parties. The mediator shall facilitate, through joint sessions, caucuses and/or other means, discussions between the parties, with the goal of assisting the parties in reaching their own resolution of the matter. The mediator shall determine the procedure for the conduct of the mediation. The parties and their representatives agree to cooperate with the mediator in ensuring that the mediation is conducted expeditiously, to make all reasonable efforts to be available for mediation sessions, and to be represented at all scheduled mediation sessions either in person or through a person with authority to settle the matter. (e) The mediator may meet with and communicate separately with each party or the party's representative. The mediator shall notify all other parties of any such separate meetings or other communications. (f) The parties agree to attempt, in good faith, to negotiate a settlement of the matter submitted to mediation. Notwithstanding that a matter is being mediated, the parties may engage in direct settlement discussions and negotiations separate from the mediation process. (g) Mediation is intended to be private and confidential.	(b) Mediation is voluntary and any party may withdraw from mediation at any time prior to the execution of a written settlement agreement by giving written notice of withdrawal to the mediator, the other parties, and the Director. (c) The mediator shall act as a neutral, impartial, facilitator of the mediation process and shall not have any authority to determine issues, make decisions or otherwise resolve the matter. (d) Following the selection of a mediator, the mediator, all parties and their representatives will meet in person or by conference call for all mediation sessions, as determined by the mediator or by mutual agreement of the parties. The mediator shall facilitate, through joint sessions, caucuses and/or other means, discussions between the parties, with the goal of assisting the parties in reaching their own resolution of the matter. The mediator shall determine the procedure for the conduct of the mediation. The parties and their representatives agree to cooperate with the mediator in ensuring that the mediation is conducted expeditiously, to make all reasonable efforts to be available for mediation sessions, and to be represented at all scheduled mediation sessions either in person or through a person with authority to settle the matter. (e) The mediator may meet with and communicate separately with each party or their representative. The mediator shall notify all other parties of any such separate meetings or other communications. (f) The parties agree to attempt, in good faith, to negotiate a settlement of the matter submitted to mediation. Notwithstanding that a matter is being mediated, the parties may engage in direct settlement discussions and negotiations separate from the mediation process. (g) (1) Mediation is intended to be private and

PROPOSED RULE	CURRENT RULE
(1) The parties and the mediator agree not to disclose, transmit, introduce, or otherwise use opinions, suggestions, proposals, offers, or admissions obtained or disclosed during the mediation by any party or the mediator as evidence in any action at law, or other proceeding, including a lawsuit or arbitration, unless authorized in writing by all other parties to the mediation or compelled by law, except that the fact that a mediation has occurred shall not be considered confidential. (2) The parties and the mediator agree that, unless all parties and the mediator agree otherwise in writing, the mediator will be disqualified as a witness, consultant, or expert in any pending or future investigation, action, or proceeding related to the subject matter of the mediation (including any investigation, action or proceeding that involves persons not a party to the mediation). The mediator and any documents or information in the mediator's possession will not be subpoenaed in any such investigation, action, or proceeding, and the mediator and parties will oppose any effort to have the mediator or documents subpoenaed. (3) Notwithstanding the foregoing, the parties agree and acknowledge that the provisions of this paragraph shall not operate to shield from disclosure to NASD or any other regulatory authority, documentary or other information that NASD or other regulatory authority would be entitled to obtain or examine in the exercise of its regulatory responsibilities. (4) The mediator will not transmit or otherwise disclose confidential information provided by one party to any other party unless authorized to do so by the party	confidential. The parties and the mediator agree not to disclose, transmit, introduce, or otherwise use opinions, suggestions, proposals, offers, or admissions obtained or disclosed during the mediation by any party or the mediator as evidence in any action at law, or other proceeding, including a lawsuit or arbitration, unless authorized in writing by all other parties to the mediation or compelled by law, except that the fact that a mediation has occurred shall not be considered confidential. (2) Notwithstanding the foregoing, the parties agree and acknowledge that the provisions of this paragraph shall not operate to shield from disclosure to the Association or any other regulatory authority, documentary or other information that the Association or other regulatory authority would be entitled to obtain or examine in the exercise of its regulatory responsibilities. (3) The mediator will not transmit or otherwise disclose confidential information provided by one party to any other party unless authorized to do so by the party providing the confidential information.

PROPOSED RULE	CURRENT RULE																																																								
providing the confidential information.																																																									
14109. Mediation Fees (a) Filing Fees: Cases Filed Directly in Mediation Each party to a matter submitted directly to a mediation administered under the Code must pay an administrative fee to NASD in the amounts indicated in the schedule below, unless such fee is specifically waived by the Director. <table><tr><th>Amount in Controversy</th><th>Customer and Associated Person Fee</th><th>Member Fee</th></tr><tr><td>\$.01-\$25,000</td><td>\$ 50</td><td>\$150</td></tr><tr><td>\$25,000.01-\$100,000</td><td>\$150</td><td>\$300</td></tr><tr><td>Over \$100,000</td><td>\$300</td><td>\$500</td></tr></table> (b) Filing Fees: Cases Initially Filed in Arbitration When a matter is initially filed in arbitration and subsequently submitted to mediation under the Code, each party must pay an administrative fee to NASD in the amounts indicated in the schedule below, unless such fee is specifically waived by the Director. <table><tr><th>Amount in Controversy</th><th>Customer and Associated Person Fee</th><th>Member Fee</th></tr><tr><td>\$.01-\$25,000</td><td>\$ 0</td><td>\$ 0</td></tr><tr><td>\$25,000.01-\$100,000</td><td>\$100</td><td>\$150</td></tr><tr><td>Over \$100,000</td><td>\$250</td><td>\$500</td></tr></table> (c) Mediator Fees and Expenses The parties to a mediation administered under the Code must pay all of the mediator's charges, including the mediator's travel and other expenses. The charges shall be	Amount in Controversy	Customer and Associated Person Fee	Member Fee	\$.01-\$25,000	\$ 50	\$150	\$25,000.01-\$100,000	\$150	\$300	Over \$100,000	\$300	\$500	Amount in Controversy	Customer and Associated Person Fee	Member Fee	\$.01-\$25,000	\$ 0	\$ 0	\$25,000.01-\$100,000	\$100	\$150	Over \$100,000	\$250	\$500	10407. Mediation Fees (a) Filing Fees: Cases Filed Directly in Mediation Each party to a matter submitted directly to a mediation administered by the Association shall pay an administrative fee to the Association in the amounts indicated in the schedule below, unless such fee is specifically waived by the Director of Mediation. <table><tr><th>Amount in controversy</th><th>Customer and Associated Person Fee</th><th>Member Fee</th><th>Total Fee</th></tr><tr><td>\$.01-\$25,000</td><td>\$50</td><td>\$150</td><td>\$200</td></tr><tr><td>\$25,000.01-\$1000,000</td><td>\$150</td><td>\$300</td><td>\$450</td></tr><tr><td>Over \$100,000</td><td>\$300</td><td>\$500</td><td>\$800</td></tr></table> (b) Filing Fees: Cases Initially Filed in Arbitration When a matter is initially filed in arbitration and subsequently submitted to a mediation administered by the Association, each party shall pay an administrative fee to the Association in the amounts indicated in the schedule below, unless such fee is specifically waived by the Director of Mediation. <table><tr><th>Amount in controversy</th><th>Customer and Associated Person Fee</th><th>Member Fee</th><th>Total Fee</th></tr><tr><td>\$.01-\$25,000</td><td>\$0</td><td>\$0</td><td>\$0</td></tr><tr><td>\$25,000.01-\$1000,000</td><td>\$100</td><td>\$150</td><td>\$250</td></tr><tr><td>Over \$100,000</td><td>\$250</td><td>\$500</td><td>\$750</td></tr></table> (c) Mediator Fees and Expenses	Amount in controversy	Customer and Associated Person Fee	Member Fee	Total Fee	\$.01-\$25,000	\$50	\$150	\$200	\$25,000.01-\$1000,000	\$150	\$300	\$450	Over \$100,000	\$300	\$500	\$800	Amount in controversy	Customer and Associated Person Fee	Member Fee	Total Fee	\$.01-\$25,000	\$0	\$0	\$0	\$25,000.01-\$1000,000	\$100	\$150	\$250	Over \$100,000	\$250	\$500	\$750
Amount in Controversy	Customer and Associated Person Fee	Member Fee																																																							
\$.01-\$25,000	\$ 50	\$150																																																							
\$25,000.01-\$100,000	\$150	\$300																																																							
Over \$100,000	\$300	\$500																																																							
Amount in Controversy	Customer and Associated Person Fee	Member Fee																																																							
\$.01-\$25,000	\$ 0	\$ 0																																																							
\$25,000.01-\$100,000	\$100	\$150																																																							
Over \$100,000	\$250	\$500																																																							
Amount in controversy	Customer and Associated Person Fee	Member Fee	Total Fee																																																						
\$.01-\$25,000	\$50	\$150	\$200																																																						
\$25,000.01-\$1000,000	\$150	\$300	\$450																																																						
Over \$100,000	\$300	\$500	\$800																																																						
Amount in controversy	Customer and Associated Person Fee	Member Fee	Total Fee																																																						
\$.01-\$25,000	\$0	\$0	\$0																																																						
\$25,000.01-\$1000,000	\$100	\$150	\$250																																																						
Over \$100,000	\$250	\$500	\$750																																																						

PROPOSED RULE	CURRENT RULE
specified in the Submission Agreement and shall be apportioned equally among the parties unless they agree otherwise. Each party shall deposit with NASD its proportional share of the anticipated mediator charges and expenses, as determined by the Director, prior to the first mediation session.	The parties to a mediation administered by the Association shall pay all of the mediator's charges, including the mediator's travel and other expenses. The charges shall be specified in the Submission Agreement and shall be apportioned equally among the parties unless they agree otherwise. Each party shall deposit with the Association its proportional share of the anticipated mediator charges and expenses, as determined by the Director of Mediation, prior to the first mediation session.