

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19 SECURITIES AND EXCHANGE COMMISSION File No.* SR - 2016 - * 015
WASHINGTON, D.C. 20549
Form 19b-4 Amendment No. (req. for Amendments *)

Filing by Financial Industry Regulatory Authority
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed rule change to provide that absent specification to the contrary in an award, when arbitrators order opposing parties to pay each other damages, the monetary awards shall offset.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Margo Last Name * Hassan

Title * Associate Chief Counsel

E-mail * margo.hassan@finra.org

Telephone * (212) 858-4481 Fax (301) 527-4761

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 05/03/2016 SVP, Chief counsel, FINRA Office of Dispute Resolution

By Kenneth Andrichik Kenneth Andrichik,

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend Rule 12904 of the Code of Arbitration Procedure for Customer Disputes (“Customer Code”) and Rule 13904 of the Code of Arbitration Procedure for Industry Disputes (“Industry Code”) (together, “Codes”) to provide that absent specification to the contrary in an award, when arbitrators order opposing parties to pay each other damages, the monetary awards shall offset, and the party that owes the larger amount shall pay the net difference.

The text of the proposed rule change is attached as Exhibit 5.

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

At its meeting on December 15, 2015, the FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. No other action by FINRA is necessary for the filing of the proposed rule change.

If the Commission approves the proposed rule change, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice to be published no later than 60 days following Commission approval. The effective date will be no later than 30 days following publication of the Regulatory Notice announcing Commission approval.

¹ 15 U.S.C. 78s(b)(1).

Questions regarding this rule filing may be directed to Margo Hassan, Associate Chief Counsel, FINRA Office of Dispute Resolution, at (212) 858-4481.

3. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

(a) Purpose

Background

FINRA Rules 12904 and 13904 address awards issued by arbitrators at the FINRA Office of Dispute Resolution forum. They provide, among other matters, that awards must be in writing and signed by a majority of the arbitrators or as required by applicable law. The rules itemize required elements of awards, including a statement of the damages awarded, and provide that all monetary awards shall be paid within 30 days of receipt unless a motion to vacate has been filed in a court of competent jurisdiction.

Sometimes arbitrators order opposing parties in a case to pay each other monetary damages. When arbitrators make such awards, but do not specify whether the party that owes the higher amount must pay the net difference, the lack of clarity has resulted in parties asking arbitrators to revise an award after a case has closed or in post-award litigation. For example, arbitrators may award damages to a firm because an associated person failed to pay money owed on a promissory note and award a lesser amount to the associated person on a counterclaim. The firm is willing to accept the net payment due. However, if the arbitrators do not specify that awards should be offset, the firm may be required to pay the counterclaim even if the associated person refuses or is unable to pay the larger amount. The offset issue could also arise in customer cases, such as those involving margin account disputes. Currently, Rules 12904 and 13904 are silent on

award offsets. Therefore, under the current Codes, FINRA does not require arbitrators to specify whether parties should offset amounts awarded.

For example, in UBS Financial Services, Inc. (UBS) v. Thomas A. Mann (Mann), No. 2:2014cv10621 – Document 17 (E.D. Mich. 2014), a federal district court heard a dispute relating to opposing awards made by a FINRA arbitration panel involving forgivable loans the firm made to Mann, an associated person. The arbitrators awarded UBS \$217,000 and awarded Mann \$150,000 for claims relating to his employment. UBS expressed concern it would never receive payment from Mann, but still had to pay him. UBS filed a motion to the arbitrators to correct the award because it was ambiguous in not providing for an offset. In that motion, UBS argued that the award should be \$67,000 in its favor, which is the difference in the amount of the two awards. The arbitrators declined the request. UBS asked the court to provide for an offset of the awards. The court confirmed the award without ordering an offset because the arbitrators had an opportunity to review UBS' request for an offset and chose not to address it in the award. Under the current Codes, the failure of a firm or person registered with FINRA to pay an award within 30 days could subject that firm or person to FINRA disciplinary action, including cancellation of membership for the firm or suspension of the firm or person.

Proposed Amendments to Rules 12904(j) and 13904(j)

FINRA is proposing to amend Rules 12904(j) and 13904(j) to provide that absent specification to the contrary in an award, when arbitrators order opposing parties to pay each other damages, the monetary awards shall offset, and the party that owes the larger amount shall pay the net difference. FINRA is also proposing to replace the bullets in

Rules 12904 and 13904 with numbers because forum users have indicated that for ease of citation, they would prefer that FINRA use numbers and letters instead of bullets.

As noted in Item 2 of this filing, if the Commission approves the proposed rule change, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice to be published no later than 60 days following Commission approval. The effective date will be no later than 30 days following publication of the Regulatory Notice announcing Commission approval.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,² which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that providing a default in favor of offset when arbitrators fail to address the issue in an award would benefit forum users by eliminating ambiguity and reducing the risk of post-award disputes.

4. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. FINRA believes that the proposed rule change will mitigate risk of failure to pay by an opposing party that may arise when multiple parties in a dispute are found to owe non-equivalent awards simultaneously. Creating a presumption that opposing award amounts will be offset will increase the likelihood that the arbitrators' purpose in issuing opposing

² 15 U.S.C. 78o-3(b)(6).

awards would be carried out. In addition, the proposed rule would reduce instances where the party owed the greater net damages is required to make payment even if the opposing party fails to pay its damages. In addition, this proposed rule change would likely reduce legal expenses to the party owed greater damages by eliminating the need to apply for the reopening of the case or going to court to seek award offsets, or seek other redress.

The scope of cases affected by offsets is small in comparison to the number of cases handled at the forum, but forum users have asked FINRA to address the issue. During 2013 and 2014, a total of 8,375 cases were closed at the forum (predominantly by settlement or award). The majority of cases are settled before a hearing takes place. The offset issue had the potential to arise in 299 cases (just over 3.5% of cases) where there was a claim by both a claimant and a respondent, and the case was resolved by arbitrators at a hearing on the merits. In 17 cases (0.2% of cases), the arbitrators awarded monetary damages to both a claimant and a respondent offering the opportunity for an offset.

Of these 17 cases, one involved a customer dispute in which a member initiated a claim for breach of contract. The arbitrators made a monetary award to both the customer and firm and provided for an offset. In the remaining 16 intra-industry cases, most of which involved promissory notes, the arbitrators made an award to both the firm and the associated person. In eight of the 16 cases, the arbitrators ordered award offsets. In the remaining eight cases, the awards were silent as to offset.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

FINRA does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.³

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 5. Text of the proposed rule change.

³ 15 U.S.C. 78s(b)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-XXXX-XXX)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change Relating to Award Offsets in Arbitration

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 3, 2016, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to amend Rule 12904 of the Code of Arbitration Procedure for Customer Disputes (“Customer Code”) and Rule 13904 of the Code of Arbitration Procedure for Industry Disputes (“Industry Code”) (together, “Codes”) to provide that absent specification to the contrary in an award, when arbitrators order opposing parties to pay each other damages, the monetary awards shall offset, and the party that owes the larger amount shall pay the net difference.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Background

FINRA Rules 12904 and 13904 address awards issued by arbitrators at the FINRA Office of Dispute Resolution forum. They provide, among other matters, that awards must be in writing and signed by a majority of the arbitrators or as required by applicable law. The rules itemize required elements of awards, including a statement of the damages awarded, and provide that all monetary awards shall be paid within 30 days of receipt unless a motion to vacate has been filed in a court of competent jurisdiction.

Sometimes arbitrators order opposing parties in a case to pay each other monetary damages. When arbitrators make such awards, but do not specify whether the party that owes the higher amount must pay the net difference, the lack of clarity has resulted in parties asking arbitrators to revise an award after a case has closed or in post-award

litigation. For example, arbitrators may award damages to a firm because an associated person failed to pay money owed on a promissory note and award a lesser amount to the associated person on a counterclaim. The firm is willing to accept the net payment due. However, if the arbitrators do not specify that awards should be offset, the firm may be required to pay the counterclaim even if the associated person refuses or is unable to pay the larger amount. The offset issue could also arise in customer cases, such as those involving margin account disputes. Currently, Rules 12904 and 13904 are silent on award offsets. Therefore, under the current Codes, FINRA does not require arbitrators to specify whether parties should offset amounts awarded.

For example, in UBS Financial Services, Inc. (UBS) v. Thomas A. Mann (Mann), No. 2:2014cv10621 – Document 17 (E.D. Mich. 2014), a federal district court heard a dispute relating to opposing awards made by a FINRA arbitration panel involving forgivable loans the firm made to Mann, an associated person. The arbitrators awarded UBS \$217,000 and awarded Mann \$150,000 for claims relating to his employment. UBS expressed concern it would never receive payment from Mann, but still had to pay him. UBS filed a motion to the arbitrators to correct the award because it was ambiguous in not providing for an offset. In that motion, UBS argued that the award should be \$67,000 in its favor, which is the difference in the amount of the two awards. The arbitrators declined the request. UBS asked the court to provide for an offset of the awards. The court confirmed the award without ordering an offset because the arbitrators had an opportunity to review UBS' request for an offset and chose not to address it in the award. Under the current Codes, the failure of a firm or person registered with FINRA to pay an

award within 30 days could subject that firm or person to FINRA disciplinary action, including cancellation of membership for the firm or suspension of the firm or person.

Proposed Amendments to Rules 12904(j) and 13904(j)

FINRA is proposing to amend Rules 12904(j) and 13904(j) to provide that absent specification to the contrary in an award, when arbitrators order opposing parties to pay each other damages, the monetary awards shall offset, and the party that owes the larger amount shall pay the net difference. FINRA is also proposing to replace the bullets in Rules 12904 and 13904 with numbers because forum users have indicated that for ease of citation, they would prefer that FINRA use numbers and letters instead of bullets.

As noted in Item 2 of this filing, if the Commission approves the proposed rule change, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice to be published no later than 60 days following Commission approval. The effective date will be no later than 30 days following publication of the Regulatory Notice announcing Commission approval.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,³ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that providing a default in favor of offset when arbitrators fail to address the issue in an award would benefit forum users by eliminating ambiguity and reducing the risk of post-award disputes.

³ 15 U.S.C. 78o-3(b)(6).

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. FINRA believes that the proposed rule change will mitigate risk of failure to pay by an opposing party that may arise when multiple parties in a dispute are found to owe non-equivalent awards simultaneously. Creating a presumption that opposing award amounts will be offset will increase the likelihood that the arbitrators' purpose in issuing opposing awards would be carried out. In addition, the proposed rule would reduce instances where the party owed the greater net damages is required to make payment even if the opposing party fails to pay its damages. In addition, this proposed rule change would likely reduce legal expenses to the party owed greater damages by eliminating the need to apply for the reopening of the case or going to court to seek award offsets, or seek other redress.

The scope of cases affected by offsets is small in comparison to the number of cases handled at the forum, but forum users have asked FINRA to address the issue. During 2013 and 2014, a total of 8,375 cases were closed at the forum (predominantly by settlement or award). The majority of cases are settled before a hearing takes place. The offset issue had the potential to arise in 299 cases (just over 3.5% of cases) where there was a claim by both a claimant and a respondent, and the case was resolved by arbitrators at a hearing on the merits. In 17 cases (0.2% of cases), the arbitrators awarded monetary damages to both a claimant and a respondent offering the opportunity for an offset.

Of these 17 cases, one involved a customer dispute in which a member initiated a claim for breach of contract. The arbitrators made a monetary award to both the

customer and firm and provided for an offset. In the remaining 16 intra-industry cases, most of which involved promissory notes, the arbitrators made an award to both the firm and the associated person. In eight of the 16 cases, the arbitrators ordered award offsets. In the remaining eight cases, the awards were silent as to offset.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form

(<http://www.sec.gov/rules/sro.shtml>); or

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-XXXX-XXX on the subject line.

Paper Comments:

- Send paper comments in triplicate to Robert W. Errett, Deputy Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-XXXX-XXX. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All

submissions should refer to File Number SR-FINRA-XXXX-XXX and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴

Robert W. Errett
Deputy Secretary

⁴ 17 CFR 200.30-3(a)(12).

Exhibit 5

Proposed new language is underlined; deletions are in brackets

Customer Code

Rule 12904 (Awards)

(a) – (d) No change.

(e) The award shall contain the following:

[•] (1) The names of the parties;

[•] (2) The name of the parties' representatives, if any;

[•] (3) An acknowledgement by the arbitrators that they have each read the pleadings and other materials filed by the parties;

[•] (4) A summary of the issues, including the type(s) of any security or product, in controversy;

[•] (5) The damages and other relief requested;

[•] (6) The damages and other relief awarded;

[•] (7) A statement of any other issues resolved;

[•] (8) The allocation of forum fees and any other fees allocable by the panel;

[•] (9) The names of the arbitrators;

[•] (10) The dates the claim was filed and the award rendered;

[•] (11) The number and dates of hearing sessions;

[•] (12) The location of the hearings; and

[•] (13) The signatures of the arbitrators.

(f) – (i) No change.

(j) All monetary awards shall be paid within 30 days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction. Absent specification to the contrary in the award, when arbitrators order opposing parties to pay each other damages, the monetary awards

shall offset, and the party that owes the larger amount shall pay the net difference. An award shall bear interest from the date of the award:

- [•] (1) If not paid within 30 days of receipt;
- [•] (2) If the award is the subject of a motion to vacate which is denied; or
- [•] (3) As specified by the panel in the award.

Interest shall be assessed at the legal rate, if any, then prevailing in the state where the award was rendered, or at a rate set by the arbitrator(s).

* * * * *

Industry Code
Rule 13904 (Awards)

(a) – (d) No change.

(e) The award shall contain the following:

- [•] (1) The names of the parties;
- [•] (2) The name of the parties' representatives, if any;
- [•] (3) An acknowledgement by the arbitrators that they have each read the pleadings and other materials filed by the parties;
- [•] (4) A summary of the issues, including the type(s) of any security or product, in controversy;
- [•] (5) The damages and other relief requested;
- [•] (6) The damages and other relief awarded;
- [•] (7) A statement of any other issues resolved;
- [•] (8) The allocation of forum fees and any other fees allocable by the panel;
- [•] (9) The names of the arbitrators;

- [•] (10) The dates the claim was filed and the award rendered;
- [•] (11) The number and dates of hearing sessions;
- [•] (12) The location of the hearings; and
- [•] (13) The signatures of the arbitrators.

(f) – (i) No change.

(j) All monetary awards shall be paid within 30 days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction. Absent specification to the contrary in the award, when arbitrators order opposing parties to pay each other damages, the monetary awards shall offset, and the party that owes the larger amount shall pay the net difference. An award shall bear interest from the date of the award:

- [•] (1) If not paid within 30 days of receipt;
- [•] (2) If the award is the subject of a motion to vacate which is denied; or
- [•] (3) As specified by the panel in the award.

Interest shall be assessed at the legal rate, if any, then prevailing in the state where the award was rendered, or at a rate set by the arbitrator(s).