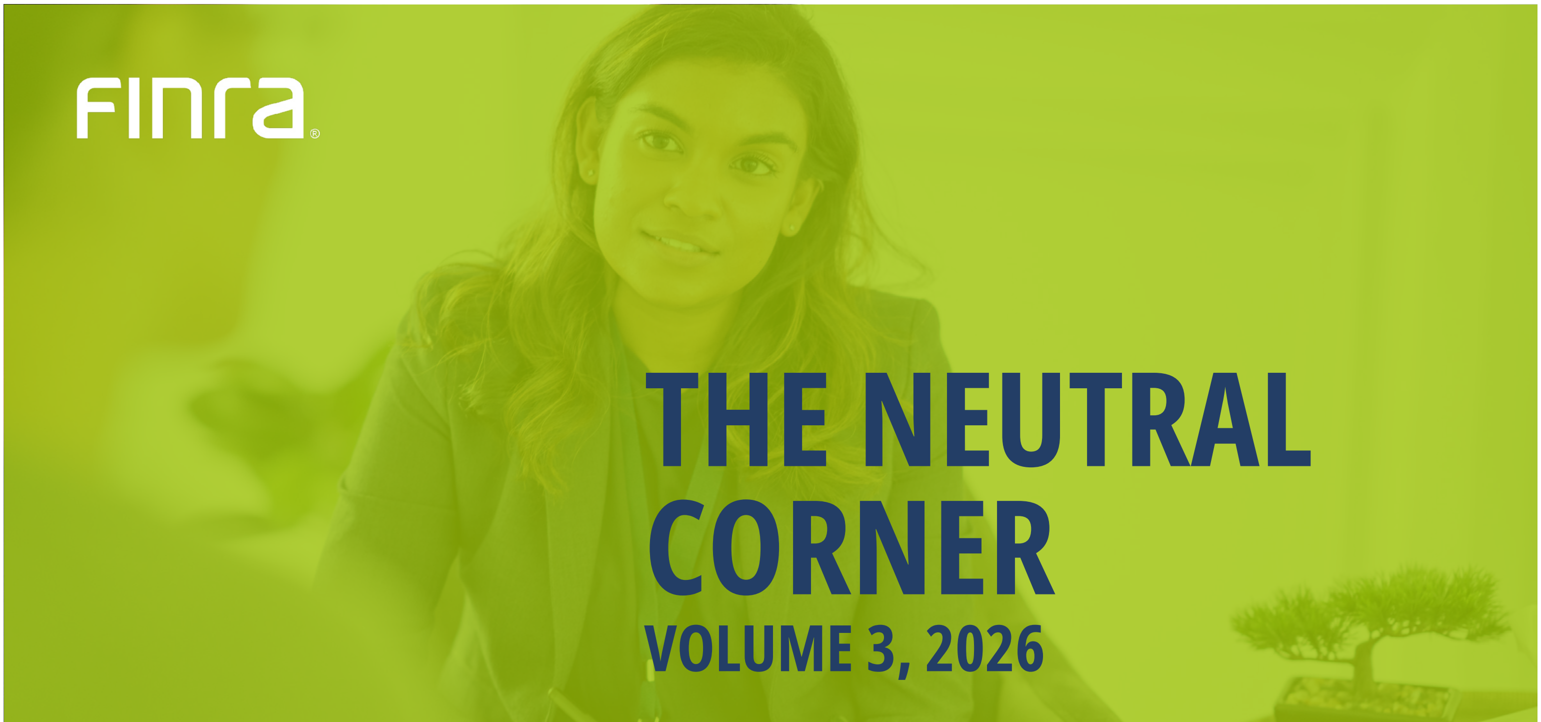

THE NEUTRAL CORNER

VOLUME 3, 2026

What's Inside

Mission Statement

We publish *The Neutral Corner* to provide arbitrators and mediators with current updates on important rules and procedures within securities dispute resolution. FINRA Dispute Resolution Services' (DRS) dedicated neutrals better serve parties and other participants in the DRS forum by taking advantage of this valuable learning tool.

Follow Us on Social Media

Follow us on Twitter/X (@FINRA) and LinkedIn for the latest FINRA and DRS news.

Starting the Conversation Early: FINRA's New Voluntary Meet and Confer Program

By Stefanie Kendall, former Associate Director, FINRA Case Administration

FINRA Dispute Resolution Services (DRS) launched a new voluntary Meet and Confer Program, effective August 31, 2026, to enhance the efficiency of the discovery process in customer-initiated arbitration cases. The program gives parties in eligible cases the opportunity to meet and confer with each other about certain discovery-related issues before the Initial Prehearing Conference (IPHC).

Which cases are eligible for the Meet and Confer Program?

Cases are eligible for the Meet and Confer Program if the following conditions are met:

- All respondents are participating member firms;
- All customers are represented by counsel;
- The case will proceed with a:
  - regular hearing under FINRA Rule 12600; or
  - Special Proceeding under FINRA Rule 12800, if the customer requests that the Document Production Lists in the Discovery Guide apply to all parties.
- The case is not subject to accelerated processing under FINRA Rule 12808.

Participating member firms have agreed to use the Meet and Confer Program in every eligible customer-initiated case filed against them. Customer claimants in eligible cases will be invited to participate in the program on a case-by-case basis. If all customers agree to participate, the case will be enrolled in the Meet and Confer Program and subject to the program's requirements.

Alternatively, at any time before the IPHC, if all parties in any case agree in writing to participate in the program, DRS will enroll the case in the Meet and Confer Program.

What is required in the Meet and Confer Program?

When parties elect to participate in the Meet and Confer Program, they agree to meet and confer by telephone or videoconference at least five business days before the IPHC, unless the parties agree otherwise.

During the meet and confer, the parties must address the following:

- Whether the case is a product case;[1]
- Form of production, including electronically stored information (ESI) and other document formats:
  - For ESI, the parties shall begin discussion of search terms and identification of custodians, as applicable.
  - For documents produced from electronic discovery platforms, the parties shall discuss the content and file type for load files accompanying the production.
- Confidentiality agreements (if applicable);
  - Any party seeking a confidentiality agreement shall send a draft of a proposed confidentiality agreement to the opposing party at least five business days before the meet and confer.
- A case management schedule. For example:
  - Estimating the length of evidentiary hearings and potential hearing dates;
  - Establishing a discovery schedule;
  - Discussing any anticipated motions andprehearing conferences; and
  - Setting deadlines for prehearing briefs and motions.

What should parties do if a dispute arises out of the meet and confer discussions?

Any disputes arising out of the meet and confer discussions may be raised with the panel **orally** at the IPHC. Parties are not permitted to file written submissions prior to the IPHC regarding any disputes relating to topics discussed at the meet and confer.

Updates to IPHC Scripts

Guidance has been added to the IPHC Scripts for cases enrolled in the Meet and Confer Program to prompt arbitrators to ask relevant questions about the meet and confer and to record agreements in the IPHC Order. Your familiarity with the Meet and Confer Program will help ensure these pre-IPHC efforts translate into more focused and efficient hearings.

Late Recusal Reminder

Once you accept an appointment to serve as an arbitrator in an arbitration proceeding, you commit to the parties and the process. The Code of Ethics for Arbitrators in Commercial Disputes (Canon I, Paragraph H) requires that arbitrators refrain from withdrawing unless compelled by unanticipated circumstances that render it impossible or impracticable to continue. Non-emergency conflicts, including double-booking cases, are not acceptable reasons to withdraw from a case.

Late recusals (*i.e.,* recusals that are close to a scheduled hearing date) disrupt the arbitration process, create scheduling difficulties and delay case resolution. DRS tracks recusals occurring within 45 calendar days before a hearing on the merits, and repeated late recusals may result in removal from the arbitrator roster.

Your Commitment Begins Before You Accept

Accept cases only if you are certain you can attend all scheduled hearing dates. Be sure to review your calendar for conflicts before accepting and consider potential conflicts that might require recusal.

[1] "Product cases are cases in which one or more of the asserted claims center around allegations regarding the widespread mismarketing or defective development of a specific security or specific group of securities." FINRA, *Discovery Guide* (2013), p. 6.

Stay Organized and Available

- Register for the DR Portal to view your complete hearing calendar across all assigned cases.
- Register for the DR Portal Mobile App to help stay on top of your schedule.
- Block hearing dates in your personal calendar immediately upon acceptance.
- Review upcoming commitments regularly to identify issues early.
- Remain available for all hearings you previously scheduled.

If the Unexpected Happens

If truly unavoidable circumstances arise (*e.g.,* medical emergency, family crisis or other genuine emergency), notify DRS immediately so we can find a replacement and alert the parties. Please also provide staff with the general reason for your unavailability.

Your reliability and commitment are essential to the integrity of the FINRA DRS forum and to the parties who depend on it.

FINRA Launches DR Portal Mobile App for Counsel and Pro Se Parties

DRS is excited to announce the launch of a new DR Portal mobile app for counsel and *pro se* parties. The app extends the functionality of the web platform to your mobile device enabling you to manage your cases anytime, anywhere.

Key Features

- **Quick Sign-In** – Use Face ID, fingerprint or device PIN for enhanced security and convenience. No need to remember passwords on your mobile device.
- **Case Documents** – Access case documents on your mobile device.
- **Message Management** – Stay on top of case communications and messages.
- **Mobile Alerts** – Receive timely reminders for important deadlines and milestones.
- **Scheduling Tools** – Respond to hearing availability polls and scheduling requests.
- **Zoom Integration** – Join Zoom meetings directly from the mobile app.
- **Arbitrator Selection** – Rank arbitrators for appointment to cases.
- **Case Fees** – View preliminary fees, assessed fees, and party payments.
- **Add Users** - Grant access to the case for additional users (*e.g.*, co-counsel, paralegals) by sending an invitation.

Learn more about the app in this short video.

Download the App

Search "DR Portal" in your device's app store:

- iOS (Apple): Available in the App Store
- Android: Available in the Google Play Store

Need Help?

For assistance with the DR Portal mobile app, contact the DR Portal Help Desk or (800) 700-7065.

DRS and FINRA News

Arbitration Case Filings and Trends

FINRA received 1,786 new arbitration claim filings from January through August 2026, reflecting a seven percent increase from the same period in 2025. Of the 1,786 new arbitration claims filed, 1,249 claims were customer-initiated and 537 claims were intra-industry. Customer-initiated claims went up by 18 percent, while intra-industry claims experienced a 12 percent decrease compared to the same period in 2025.

Proposed Rule Change to Amend the Codes of Arbitration Procedure (Codes) to Provide Parties with Greater Input into Arbitrator Selection

On August 12, 2026, FINRA filed with the Securities and Exchange Commission (SEC) a proposed rule change to amend the Codes to provide parties with greater input into arbitrator selection at initial panel appointment and when replacing arbitrators after initial panel appointment.

Initial Panel Appointment: Currently, the Codes provide that if the number of arbitrators available to serve from the combined lists is insufficient to fill an initial panel, the Director of DRS will appoint an arbitrator to complete the panel from names generated randomly using the list selection algorithm. The proposed rule change would instead use the list selection algorithm to randomly generate a new list of arbitrators for the parties to strike and rank in accordance with the Codes.

After Initial Panel Appointment: Currently, to provide parties with greater input into selecting replacement arbitrators after initial panel appointment and to address timing concerns related to the hearing schedule, DRS offers the Short List Option on a voluntary basis. Under this option, if the parties agree, the list selection algorithm randomly generates a list of potential replacement arbitrators, prescreened by the Director of DRS for hearing availability, for the parties to strike and rank. The proposed rule change would codify the Short List Option as the default method for selecting replacement arbitrators after panel appointment, increasing transparency for all forum participants.

Please see SR-FINRA-2026-017 for more information. The comment period closed on September 18, 2026.

FINRA Foundation Research Reveals Gaps in Fraud Awareness

The FINRA Investor Education Foundation (FINRA Foundation) released a new report that reveals troubling knowledge gaps that may leave millions of Americans vulnerable to financial fraud—with annual losses nearing $200 billion. The report found that only half of respondents cited identity-based fraud, the most recognized fraud category, when asked to describe common schemes. Read here to learn more about the report.

Report from External Review of FINRA's Enforcement Program

Last year, as part of FINRA Forward, FINRA engaged two external experts, Professor Paul R. Eckert of William & Mary Law School, and former SEC Commissioner Troy A. Paredes of Paredes Strategies, to identify potential improvements to FINRA's enforcement function to better serve its self-regulatory mission of protecting investors, safeguarding market integrity and supporting vibrant capital markets in which everyone can participate with confidence. On June 30, 2026, FINRA published a report from Eckert and Paredes setting forth their recommendations.

ABA 2026 Advanced Mediation & Advocacy Skills Institute: October 21 – 22, 2026

Join ABA's two-day virtual event featuring plenary speaker The Honorable Merrick B. Garland, Former Attorney General of the United States, alongside leading mediation authorities. Plenary sessions will be followed by small-group breakouts with high-profile experts to exchange ideas and best practices in negotiation and mediation. As a partnering organization, FINRA encourages arbitrators and mediators to consider attending this program. Please use the following discount code to receive the ABA member rate: **PARTNER26**.

DR Portal News

Arbitrators Are Going Mobile: Download the DR Portal Mobile App Today

Managing your cases just got easier. Join more than 2,200 arbitrators who have downloaded the DR Portal mobile app and manage your caseload from anywhere.

Key Features

- Quick sign-in with face ID, fingerprint or PIN
- Access case documents on your mobile device
- Stay on top of messages and communications
- Receive alerts for deadlines and milestones
- Respond to scheduling requests
- Join Zoom meetings directly from the app
- Review and digitally sign awards
- Submit expense reports

Download the App

- iOS (Apple): Available in the App Store
- Android: Available in the Google Play Store

NEW: DR Portal Mobile App Office Hours Are Here

Curious about the DR Portal mobile app? Ready to see what it can do?

The DR Portal Team is excited to invite you to its Office Hours, where you can watch a live demo, get your questions answered and pick up tips to get the most out of your mobile experience.

Quarterly Office Hours will be offered in 2027 on the following dates:

- January 13, 2027
- April 14, 2027
- July 14, 2027
- October 13, 2027

Invitations will be sent out approximately two weeks before each session. If you are interested in attending, click the link in the invitation to register. Once you have confirmed your registration, you can save the event to your calendar.

We look forward to seeing you there!

DR Portal: Did You Know?

DRS recently enhanced the DR Portal to allow portal users to search for documents in their cases using key words. This function is available only on the website version.

For questions about logging into the DR Portal, please contact the FINRA Support Center at (301) 590-6500. If you have other questions about using the DR Portal, please contact the DR Portal Help Desk at drportalhelp@finra.org or (800) 700-7065.

Mediation Update

Mediation Case Filings and Trends

From January through August 2026, parties initiated 311 mediation cases, a decrease of nine percent from the same period in 2025. DRS closed 288 cases during this time, with approximately 82 percent concluding with successful settlements.

October is Mediation Settlement Month

DRS' Mediation Department is offering its annual reduced fee program during Mediation Settlement Month. The program encourages parties to experience the benefits of mediation and raises visibility for participating mediators.

To participate in this program, parties must enter into a mediation agreement by October 31, 2026, and conduct the mediation by December 31, 2026.

Participating mediators have agreed to offer their services at the following reduced rates, to be assessed equally between the parties unless otherwise agreed upon:

AMOUNT IN CONTROVERSY	FLAT FEE	MEDIATION HOURS
$0.01–$25,000	$250	6
$25,000.01–$100,000	$500	8
Over $100,000 and Unspecified	$1,000	10

Here are some additional guidelines for participating in Mediation Settlement Month:

- Parties can mediate by telephone, Zoom or in person.
- Mediation hours are inclusive of two hours of mediator study time.
- Any time beyond the mediation hours listed above is billed at the mediator's regular hourly rate. Mediators must advise parties before they exceed the included hours and move into regular hourly billing.
- FINRA's Mediation Filing Fees are reduced by 50 percent for all cases, and FINRA will not collect an administrative fee from the mediator's payment.
- Once parties have agreed to participate, DRS will send a randomized list of participating mediators to the parties and schedule the mediation session.

We look forward to another successful Mediation Settlement Month. Please contact DRS' Mediation Department with any questions.

Mediator Disclosure Updates

Mediators can update their profile at any time through the DR Portal. Keeping mediator disclosure reports up to date—including the number of cases, case success rates and the types of cases mediated—helps parties during the selection process. References who can attest to a mediator's skills and mediation style also help parties choose the most appropriate mediator for their case. Remember to include a cancellation policy if applicable.

Become a FINRA Mediator

Do you have experience working as a mediator? Consider joining DRS' mediator roster. Please email the Mediation Department for more information.

Questions and Answers

Confidentiality Orders

Q: What options are available when a party objects to document production on grounds of privacy or confidentiality in FINRA arbitration?

A: When a party objects to document production on confidentiality or privacy grounds, several options are available. Arbitrators or one of the parties may suggest a stipulation that the documents will not be disclosed or used outside of the arbitration. Arbitrators may also issue a confidentiality order, order the redaction of names or other sensitive information, or require the parties to sign confidentiality agreements.

Q: Who bears the burden of establishing that the documents in question require confidential treatment?

A: The burden falls on the party asserting or requesting confidentiality. That party must establish that the documents and information in question are entitled to confidential treatment. Arbitrators should not automatically designate all documents as confidential and should take into account the facts of the particular case when deciding questions about confidentiality.

Q: What factors should arbitrators consider when deciding contested requests for confidentiality orders?

A: Arbitrators should weigh several factors, including whether:

- disclosure would constitute an unwarranted invasion of personal privacy (such as Social Security numbers or medical information);
- disclosure poses a threat of harm;
- the information contains proprietary business plans, procedures or trade secrets;
- the information has already been published or is in the public domain;
- an overly broad confidentiality order could be against the public interest or impede justice; and
- excessive restrictions could raise legal or ethical issues for the parties.

Q: Once a need for confidentiality has been established, what standard should arbitrators apply in crafting a confidentiality order?

A: Even after a party has met its burden of establishing the need for confidentiality, arbitrators should strive to accomplish the confidentiality sought in the **least restrictive manner possible**. This means narrowly tailoring any order or agreement rather than applying sweeping or blanket restrictions, which could work against the public interest or the interests of justice.

Q: Are there any limits on what arbitrators can require through a confidentiality order or agreement?

A: Yes. Arbitrators shall not issue a confidentiality order or use a confidentiality agreement to compel parties to produce documents that are otherwise protected by an established privilege, including the **attorney-client privilege** and the **attorney work product doctrine**. Additionally, per FINRA *Regulatory Notice 14-40*, confidentiality provisions relating to document production in the discovery process do not apply to the sharing of the documents with regulatory authorities.

Education and Training

Training Resources Overview

Whether you are preparing for your first case or your twentieth case, the FINRA website is the central source for the information you need. Here is a breakdown of training resources available on our website.

FINRA Website

What to Expect Series

The "What to Expect" videos provide insight into the arbitration process for newcomers to the forum and prepare you for your first case.

- The "Arbitration Process" video details how an arbitration case is administered at FINRA and breaks down the arbitration process into seven stages.
- The "Arbitration Hearing" video takes the viewer through a typical hearing day.

Neutral Workshops

Neutral workshops provide information about developments within FINRA's dispute resolution program and best practice tips for arbitrators and mediators. Some workshops are broken down into separate, shorter videos by topic, so you can go directly to the segment most relevant to you.

Virtual Hearings

Although DRS is primarily an in-person forum, on occasion parties may opt for a virtual hearing held via Zoom. We have a webpage dedicated to providing best practice tips for a successful virtual hearing. The website also has training videos that cover the basics of virtual hearings, effective practices, setting up your environment and hosting responsibilities.

Expungement

Because expungement is such an important topic, it has a section of the website all to itself. Here, you'll find everything in one place: overview, notices, rules, FAQs, background, training and investor education.

Arbitrator's Guide

For a quick refresher on a specific arbitration topic, the Arbitrator's Guide should be your go-to resource. This guide covers many of the topics in the Basic Arbitrator Training, all contained in an easily searchable PDF document.

The Neutral Corner

The Neutral Corner webpage is updated each quarter with the most recent issue at the top of the page. But if you're looking for an article from a previous issue, you can review the back issues. Clicking on any back issue link will display the table of contents for that issue.

Online Arbitrator Trainings on FINRA's Arbitrator Learning Site

FINRA offers e-learning courses through the Arbitrator Learning Site. You must be registered on the site before accessing the courses. After completing a course, FINRA will add the completed training information to your disclosure report.

- **Basic Arbitrator Training:** Provides brand new arbitrators with the fundamentals of FINRA arbitrations.
- **Chairperson Training**: Instructs arbitrators on the added responsibilities of serving as the chairperson of the panel.
- **Civility in Arbitration**: Helps arbitrators evaluate their obligations before and during service on a case and set a proper tone for conducting fair and efficient hearings.
- **Discovery, Abuses & Sanctions**: Focuses on the respective duties of arbitrators and parties in the discovery process, explains the Discovery Guide and helps arbitrators recognize and address discovery abuses.
- **Enhanced Expungement Training**: Provides an overview of revisions to the Codes to modify the process relating to the expungement of customer dispute information. The revised rules became effective on October 16, 2023.
- **Expungement**: Provides an overview of the expungement process and gives an in-depth review of FINRA Rule 2080 and Rules 12805 and 13805 of the Codes. The course also explains the role of the Central Registration Depository or CRD.

- **Understanding the Initial Prehearing Stage**: Helps arbitrators manage and organize the Initial Prehearing Conference.
- **Your Duty to Disclose**: Explains the importance of arbitrator disclosure and instructs arbitrators on how to make complete disclosures.

Arbitrator Disclosure Reminder

Arbitrators should review their Arbitrator Disclosure Reports (ADRs) regularly to ensure all information is accurate and current. Arbitrators may not realize that DRS continually sends their ADRs to parties during the arbitrator selection process. Providing parties with the most current and complete information helps them make informed decisions when selecting their panel. Complete disclosures also minimize arbitrator challenges and case delays. Arbitrators should log in to the DR Portal to update their ADRs.

Last Affirmation Dates on ADRs

The last affirmation date appears at the top of the ADR. This date indicates when the arbitrator last affirmed the accuracy and completeness of their disclosures. Parties may consider this date when making decisions about ranking and striking arbitrators.

Arbitrators can refresh the affirmation date by submitting an update form through the DR Portal or by submitting an Oath when assigned to a case. Even if there are no changes, arbitrators can update the affirmation date through the DR Portal.

If you need to register for the DR Portal or reactivate a dormant account, please email the Department of Neutral Management to request an invitation. Please include “request portal invitation” in the subject line.

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