

The Neutral Corner

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NASD Dispute Resolution, Inc.

As mentioned in the July 2000 issue of *The Neutral Corner*, NASD Dispute Resolution, Inc., a new subsidiary company under the umbrella of the National Association of Securities Dealers, Inc. (NASD®), became operational as a separate company on July 9, 2000. It is subject to the same Securities and Exchange Commission (SEC) oversight as the NASD, NASD RegulationSM, The American Stock Exchange®, and The Nasdaq Stock Market®.

Formerly known as the NASD Regulation Office of Dispute Resolution, this newly formed entity will continue to administer the NASD's arbitration, mediation, and other alternative dispute resolution services.

Under the leadership of President Linda D. Fienberg, the creation of this new subsidiary recognizes the importance of the NASD's dispute resolution program and further strengthens the independence, impartiality, and credibility of the arbitration and mediation functions.

NASD Dispute Resolution includes six administrative offices where staff train and qualify arbitrators and mediators, maintain rules and procedures, and administer the dispute resolution process in 46 locations nationwide.

In addition to its staff, NASD Dispute Resolution has its own

six-person Board of Directors (see box on page 3 for list of Board members), chaired by John Sexton, Dean of the New York University Law School. "It is wonderful that John is willing to volunteer his time to help better the role of dispute resolution in the securities industry," said NASD Dispute Resolution President Linda D. Fienberg.

Among its activities, the NASD Dispute Resolution Board has the authority to appoint a National Arbitration and Mediation Committee, which makes recommendations to the Board regarding the conduct of arbitrations, mediations, and other dispute resolution matters. The Board recently held its first meeting and will hold another in December.

Goals

NASD Dispute Resolution's major goals include:

- Continue to streamline and simplify processes to provide more effective and efficient dispute resolution services.
- Improve the discovery and hearing processes.
- Upgrade and facilitate access for parties, staff, and neutrals (arbitrators and mediators) using Web-based technologies.

continued on page 3



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DISPUTE RESOLUTION

An NASD Company

Message From The Editor

Neutral Corner Survey

Enclosed in this newsletter mailing please find a survey for readers of *The Neutral Corner*. NASD Dispute Resolution would like to obtain your feedback about *The Neutral Corner*. Please take a few minutes to complete the survey, and return it using the self-addressed, postage-paid envelope enclosed for your convenience. You may also fax your completed survey to Luis Cruz at (212) 858-4389. Your responses will be kept confidential.

Thank you for your assistance in helping us to improve communication with you.

Wanted: Alternate Means Of Communicating With You

To facilitate communication with you, especially when you are selected for cases, please provide NASD Dispute Resolution with different ways we can contact you.

Providing alternate phone numbers, phone numbers with voicemail or answering machine, pager numbers, facsimile numbers, or electronic mail addresses will allow us to serve you, as well as the parties, more efficiently.

Please provide your local NASD Dispute Resolution Office with alternate means of contacting you.

Sign-Up For E-Mail Broadcast

NASD Dispute Resolution – through its Web Site at www.nasdadr.com – has provided a way for interested visitors to obtain regular updates about new Web Site information.

To receive e-mail notification of additions and changes to the Dispute Resolution Web Site, visitors will need to complete a brief online form. This is a free service, and you will be able to unsubscribe at any time.

Go to the Home Page of www.nasdadr.com and click on the link titled “E-Mail Subscription”.

Editor's Note: In future issues of *The Neutral Corner*, your letters to the editor will be featured here. We welcome and encourage your comments on the material presented in this publication. NASD Dispute Resolution reserves the right to publish or not publish the letters received.

NASD Dispute Resolution, Inc., from page 1

NASD Dispute Resolution, Inc. Board of Directors

John Sexton

Chairman
Dean
New York University Law School

Donald J. Kirk

Vice-Chairman
Public Oversight Board
American Institute of Certified Public Accountants

Linda D. Fienberg

President
NASD Dispute Resolution, Inc.

John D. Markese

President
American Association of Individual Investors

Donald B. Marron

Chairman and Chief Executive Officer
PaineWebber Group

Richard C. Romano

President
Romano, Brothers & Company

- Reduce caseload per staff to provide timely and better customer service.
- Continue a strong Mediation Program and facilitate settlement of disputes without using arbitration.

Initiatives

NASD Dispute Resolution is also pursuing a number of significant initiatives. Among those is continued work on the **Neutral List Selection System (NLSS)**—a computer-generated arbitrator selection system. Recently, NASD Dispute Resolution held focus groups in which parties' counsel indicated the success of NLSS in "providing parties more control over the selection of the arbitrators who will hear their case," stated Linda Fienberg.

Another initiative is the **Discovery Guide**, which became available in November of last year. The Discovery Guide consists of introductory and instructional text, and 14 Document Production Lists, providing guidance to parties on which documents they should exchange without arbitrator or staff intervention, and to arbitrators in determining which documents customers and member firms or

associated persons are presumptively required to produce in customer arbitrations. NASD Dispute Resolution has begun holding focus groups, four in total, to review Discovery Guide effectiveness. So far, feedback has been positive, particularly by frequent participants in the forum.

NASD Dispute Resolution also continues its work on **MATRICS** (Mediation and Arbitration Tracking and Retrieval Interactive Case System)—an ambitious project to completely redesign its computer system. The new system, to be rolled out in phases over the next few years, will feature a Web-based gateway for parties, counsel, arbitrators, mediators, and staff. The new system will provide for online filing of claims, pleadings, and correspondence, as well as online scheduling of hearings and selection of arbitrators and mediators.

In the area of **neutral training**, the current focus is on recruiting efforts to increase the total number of women and minority arbitrators. "We have been targeting locations where there is a need for more arbitrators by working with legal and financial services organizations/associations that include women and minorities to achieve more diversity," stated Linda Fienberg.

In the **rules** area, NASD Dispute Resolution has several initiatives as well. NASD Dispute Resolution is working on enhancements to NLSS before the launch of MATRICS. It also currently has out for comment a proposed rule change to amend NASD Rules 10308 and 10312 to provide authority for the Director of Arbitration or the President of NASD Dispute Resolution to remove arbitrators for cause after hearings have begun. And, NASD Dispute Resolution will soon provide the SEC with a response to comments relating to a rule simplifying and expediting the procedures

for seeking injunctive relief in intra-industry disputes. The proposed rule will replace the pilot rule that has been in effect since 1996.

As NASD Dispute Resolution moves forward under its new status as a separate subsidiary of the NASD, we will continue to provide our constituents with updates on major activities through this newsletter and other communication outlets. Please visit the new NASD Dispute Resolution Web Site, at www.nasdadr.com, for the most up-to-date information.

Discovery Guide Update

In response to questions relating to the *Discovery Guide* for public customer arbitrations, NASD Dispute Resolution staff developed a list of *Frequently Asked Questions & Answers*. The last update to these Questions and Answers involved the issue of Discovery Guide applicability to simplified public customer arbitrations or cases where a selected arbitrator renders an award based *exclusively* on the filed pleadings/documents. This subject is discussed in the *Frequently Asked Questions & Answers* document below (question and answer #9):

9. Does the Discovery Guide apply to simplified arbitration (small claims) proceedings?

Answer: The Discovery Guide is not intended for use in simplified arbitration proceedings under Rule 10302. However, the arbitrator may, in his or her discretion, choose to use relevant portions of the Discovery Guide in a manner consistent with the expedited nature of simplified proceedings.

You can review these Questions and Answers by visiting our Web Site at www.nasdadr.com, clicking on Rules & Procedures, and viewing *Discovery Guide Frequently Asked Questions*. Following is the URL to get directly to this information on the Site: <http://www.nasdadr.com/disguide.asp>.

New Mediation Rules

Effective November 1, 2000, the SEC approved new NASD Rule 10407 and conforming amendments to NASD Rules 10205 and 10332. NASD Rule 10407 establishes new mediation filing fees.

Also effective November 1, 2000, the SEC approved amendments to NASD Rule 10403. One amendment permits parties who agree to mediate to stay their pending arbitration case without seeking an adjournment from the arbitration panel. The other amendment provides that the adjourning parties will not have to pay arbitration adjournment fees if they agree to use NASD Dispute Resolution to administer their mediation.

New Fee Schedule

The new mediation fee schedule on page 6 is designed to help fund the operational costs of the NASD Mediation Program while preserving mediation as a cost-effective alternative to arbitration for parties with claims of any dollar value. While the new schedule increases fees for some higher-dollar-value cases, fees for lower-dollar-value cases are reduced or remain the same.

The new fees apply to *any* case in which the parties agree to mediate on or after November 1, 2000—whether by filing a mediation directly or converting a pending arbitration. Mediation fees are charged only after all of the parties agree to submit a case to mediation.

Cases Filed Directly In Mediation

For cases filed directly in mediation, new NASD Rule 10407(a) replaces the flat fees currently charged (\$150 per party for customer cases and \$250 per party for intra-industry cases) with a sliding-scale fee schedule based on the

size of the claim. Customers and associated persons will now pay filing fees ranging from \$50-\$300, and member firms will now pay filing fees of \$150-\$500. Mediation filing fees for all claims will be less than corresponding arbitration filing fees.

The new fee schedule reduces fees for claims of \$25,000 or less. For these cases, customers and associated persons will pay a filing fee of only \$50, and member firm filing fees will remain unchanged. This modification, combined with the \$50 per-hour small-claim rate offered by participating NASD mediators since April 2000, makes mediation even more cost-effective for low dollar-value claims.

“We are pleased that, as part of our new fee structure, we are able to offer lower fees to customers with small claims,” said Linda D. Fienberg, President of NASD Dispute Resolution. “This change reinforces our commitment to making mediation affordable for claims of any size.”

Mediation Cases Initially Filed In Arbitration

For cases over \$25,000, NASD Dispute Resolution will charge mediation filing fees to parties agreeing to mediate after the arbitration has been filed. See NASD Rule 10407 (b). To provide incentive for parties to mediate small claims of \$25,000 or less, NASD Dispute Resolution will *not* charge any filing fees. To encourage mediation among parties who have pending arbitrations involving larger claims, mediation filing fees will be lower (\$100-\$250 for customers and associated persons; \$150-\$500 for members) than they are for cases filed directly in mediation.

Mediation Filing Fees—Effective November 1, 2000

Rule 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.

Amount in Controversy	Customer and Associated Person Fee	Member Fee	Total Fees
\$.01-\$25,000	\$ 50	\$150	\$200
\$25,000.01-\$100,000	\$150	\$300	\$450
Over \$100,000	\$300	\$500	\$800

(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.

Amount in Controversy	Customer and Associated Person Fee	Member Fee	Total Fees
\$.01-\$25,000	\$ 0	\$ 0	\$ 0
\$25,000.01-\$100,000	\$100	\$150	\$250
Over \$100,000	\$250	\$500	\$750

New Adjournment Rules

The *new* adjournment rules, effective November 1, 2000, are contained in NASD Rule 10403 on page 7. NASD Rule 10403(a) authorizes parties to agree to adjourn a pending arbitration to mediate the controversy—without having to seek and obtain permission from an arbitration panel under NASD Rule 10319.

NASD Rule 10403(b) provides that no adjournment fees will be charged where there is an arbitration adjournment to mediate and the parties use NASD Dispute Resolution mediation.

“This change increases parties’ control of their dispute resolution process,” said Kenneth L. Andrichik, Director of Mediation. “Parties can agree not to pursue both arbitration and mediation simultaneously. We know that most cases settle in mediation, and parties might save costs by agreeing to put their arbitration on hold until their mediation is concluded. Parties mediating through NASD Dispute Resolution stand to save additional costs, as arbitration hearing adjournment fees will automatically be waived.”

To adjourn an arbitration under the new rule, all parties must submit a joint written request to assigned arbitration staff. The request must state that they agree to adjourn the arbitration to mediate.

If arbitration hearing dates *have been* scheduled, parties also need to submit several mutually agreed-upon dates on which to reschedule their arbitration hearing(s). Finally, the joint request must include the proper adjournment fee or state that the mediation will be conducted through NASD Dispute Resolution. If these requirements are met, the arbitration hearing(s) will be

adjourned and the arbitrators will be notified that the case is stayed for mediation.

If *no* arbitration hearings have been scheduled, parties may nevertheless agree to adjourn to mediate. If they do, assigned staff will stop processing the arbitration until they are asked by the parties to resume processing, or they are informed that the case settled. In this instance, the parties must submit a joint written request to assigned staff that their case be made “inactive”. This request will be granted and, if arbitrators have been appointed, they will be notified that the case is stayed for mediation.

Arbitration Adjournments to Mediate—Effective November 1, 2000

Rule 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, no adjournment fees will be charged for staying the arbitration proceeding in order to mediate.

Questions regarding the new mediation rules may be directed to Kenneth L. Andrichik, Director of Mediation, (212) 858-3915, e-mail: ken.andrichik@nasd.com, or to Elizabeth McCoy, Assistant Director of Mediation, NASD Dispute Resolution, Inc., (212) 858-4341, e-mail: elizabeth.mccoy@nasd.com.

Facilitating Arbitrator Disclosure—Promoting Fair Arbitrator Selection

Arbitrator Selection

In November 1998, NASD Dispute Resolution implemented NLSS, permitting parties to select arbitrators from lists generated by an automated system. Since NLSS empowers parties to select panels, this forum continues to focus on improving the quality and quantity of arbitrator information made available to parties when they are choosing neutrals for their cases.

NASD Dispute Resolution's goal is to provide accurate, complete *Arbitrator Disclosure Reports* to the parties and to do so early in the process, so that parties can make more informed arbitrator choices under NLSS. To help NASD Dispute Resolution achieve this objective, arbitrators responded *en masse* to our nationwide effort to update their biographical information on file. See "Mass Mailing To Arbitrators" in the January 1999 edition of *The Neutral Corner*.

New Arbitrator Oath

To continue in this endeavor, NASD Dispute Resolution and its policy/advisory group, the National Arbitration and Mediation Committee (NAMC), determined in January of this year to expand the contents of the Oath of Arbitrator to incorporate by reference three documents: the *Temporary & Permanent Arbitrator Disqualification Criteria*, the *Arbitrator Disclosure Checklist*, and your *Arbitrator Disclosure Report*.

The NAMC and NASD Dispute Resolution believe that careful consideration of the revised Arbitrator Oath will help arbitrators to better fulfill their disclosure and ethical obligations to the parties under NASD Rule 10312. In other words, the new Oath should help to facilitate arbitrator disclosure and result in more informed, efficient party selection of arbitrators. For more on your "Duty To Disclose" see the July 2000, November 1999, April 1997, and the December 1995 editions of *The Neutral Corner*.

In view of the above and since, under NASD Rule 10327, arbitrators must take their Arbitrator's Oath every time they serve on a new case, please take the time to read and understand the new Oath, a copy of which is enclosed with this edition of *The Neutral Corner*.

Arbitrator Updates

We hope that the new Oath will help to further sensitize you—our arbitrators—not only to your disclosure obligation as neutrals, but also to the importance of *regularly* updating your arbitrator information records. **Don't wait to update!!** Contact your local NASD Dispute Resolution Office and communicate updates and new circumstances now.

You can electronically update your arbitrator information and narrative background by visiting our Dispute Resolution Web Site at www.nasdadr.com to complete the new *Dispute Resolution Arbitrator Information Update Form*.

IRS Form 1099-MISC

The Internal Revenue Service requires that Form 1099-MISC be filed by payers for each individual and non-corporate payee to whom at least \$600 was paid for services rendered during a calendar year. The NASD and its affiliates do not issue 1099s to payees falling below the \$600 reporting threshold. The "payee" is the name appearing on the first line of the check.

The NASD is required by law to postmark Federal 1099s to recipients no later than January 31. This information is not filed with the Internal Revenue Service until the last business day of February. Therefore, changes/corrections to 1099s may be made prior to transmission to the IRS.

Questions concerning 1099 reporting should be directed to the following individuals of the NASD Finance Office Tax Department:

The mailing address for these individuals is:
National Association of Securities Dealers, Inc.
Finance Office
 Decoverly Hall
 9509 Key West Avenue
 Rockville, MD 20850

Grace E. Daniell Associate Director

Phone: (240) 386-5328
 Fax: (240) 386-5290

Paul D. Geary Tax Accountant

Phone: (240) 386-5330
 Fax: (240) 386-5290

Rosemary DeWitt Jr. Tax Accountant

Phone: (240) 386-5329
 Fax: (240) 386-5290

Pat Mistry Tax Assistant

Phone: (240) 386-5331
 Fax: (240) 386-5290

Reminder:

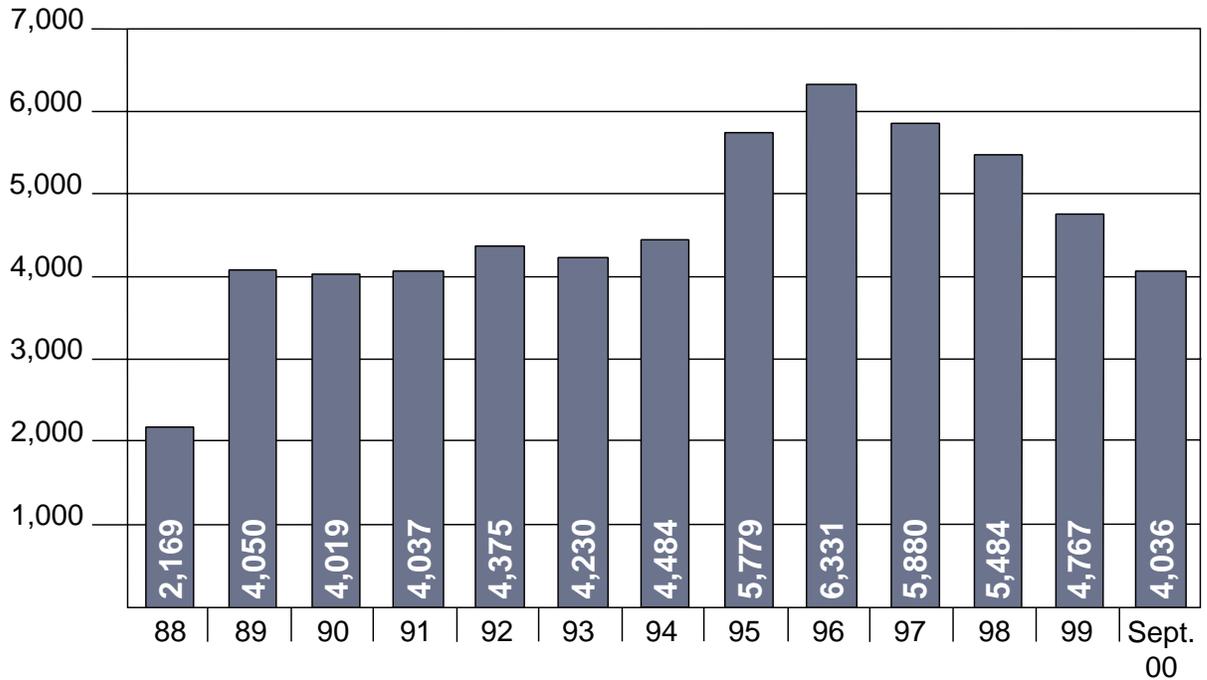
*To request "payee" changes on **future** disbursements, arbitrators must communicate with their local NASD Dispute Resolution Office. These changes **cannot** be made by NASD Finance Accounts Payable or the Finance Tax Staff.*

Sharing Arbitrator Disclosure Reports

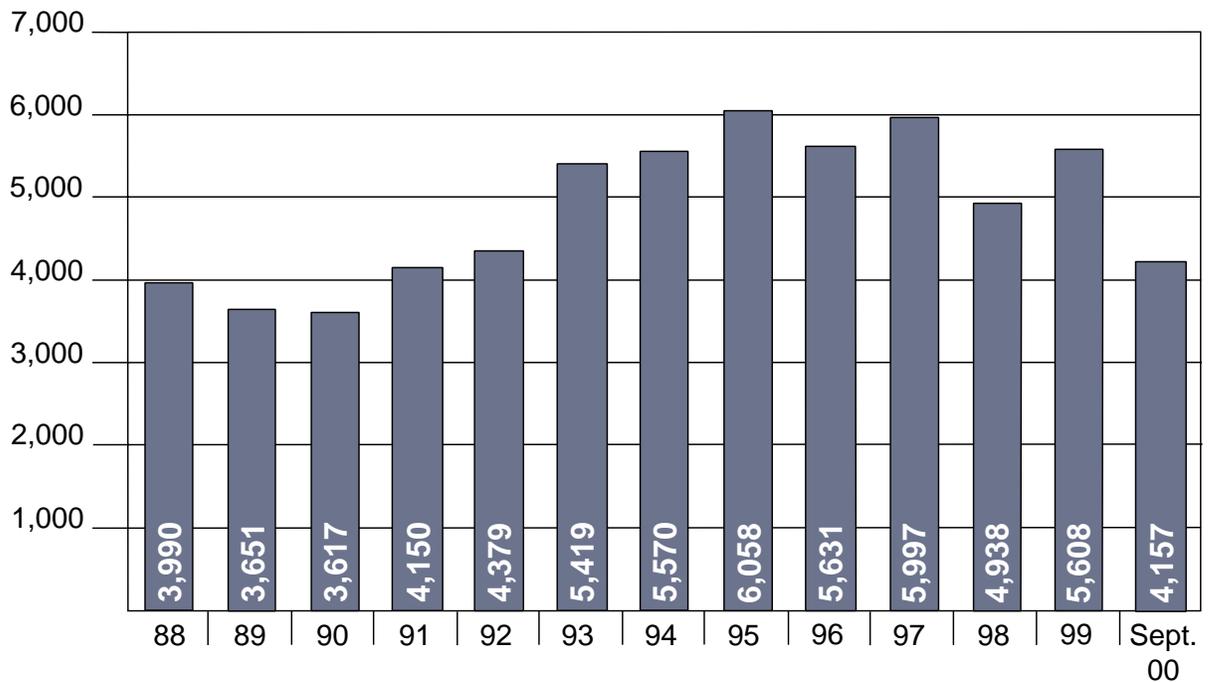
NASD Dispute Resolution always gives serious consideration to arbitrator suggestions. Recently, many of you told us that arbitrators would appreciate knowing the background or experience of their fellow panelists prior to the first hearing session. You expressed the common view that this information, provided early on, will help to promote better understanding among those who are selected to serve on a panel.

NASD Dispute Resolution agrees that implementing this idea will help to facilitate panel teamwork. Therefore, effective November 1, 2000, we will begin sharing *Arbitrator Disclosure Reports* among the members of three-person panels.

NASD Arbitration Cases Closed Annually



NASD Arbitration Cases Filed Annually



Directory

Linda D. Fienberg
President
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Resolution, Inc.

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Senior Vice President
NASD Dispute
Resolution, Inc.

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Special Advisor

Dorothy Popp
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Tom Wynn
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This publication is provided at no cost to all NASD-approved neutrals. To change your mailing address, contact Margaret Duzant, NASD Dispute Resolution, at (212) 858-4310. Annual subscriptions may be purchased for \$25, and single issues may be purchased for \$10 through NASD MediaSource[®]. Send a check or money order payable to the National Association of Securities Dealers, Inc., to NASD MediaSource, P.O. Box 9403, Gaithersburg, MD 20898-9403, or order using American Express, MasterCard, or Visa, by calling (301) 590-6142, weekdays, 9 a.m. to 5 p.m. (Eastern Time).

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Join us for the 2000 Fall Securities Conference.

At this event, you will learn about and discuss the latest developments in the securities industry. Also you will hear from industry experts and NASD Regulation leadership, explore regulatory issues, and much more.

Watch your mail for a conference brochure and registration materials. Also, visit the NASD Regulation Web Site.

www.nasdr.com



San Francisco, CA

**2000 NASD Regulation
Fall Securities
Conference**

November 15-17, 2000
Sheraton Palace Hotel



OATH OF ARBITRATOR

Arbitrators are required by the NASD Code of Arbitration Procedure to execute/take the Oath of Arbitrator (Oath) every time they serve on a new case. As part of the Oath, the arbitrator *must* review three documents: the Temporary and Permanent Arbitrator Disqualification Criteria; the Arbitrator Disclosure Checklist; and his/her Arbitrator Disclosure Report.



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In the Matter of the Arbitration Between

Claimant(s)

**OATH
OF
ARBITRATOR**

vs.

Respondent(s)

Having been selected as an arbitrator to consider the matter in controversy between the above-captioned parties, I solemnly swear or affirm that I am not an employer of, employed by, or related by blood or marriage to any of the parties or witnesses whose names have been disclosed to me; that I have no direct or indirect interest in this matter; I know of no existing or past financial, business, professional, family or social relationship which would impair me from performing my duties; and that I will decide the controversy in a fair manner and render a just award.

I have carefully read, reviewed, and considered NASD Dispute Resolution's Temporary and Permanent Arbitrator Disqualification Criteria. I swear or affirm that, based on the criteria, I am not temporarily or permanently disqualified from being an NASD arbitrator.

I have reviewed and completed the *Arbitrator Disclosure Checklist* enclosed, and certify that (check one):

_____ I have nothing to disclose.

_____ I made disclosures on the *Arbitrator Disclosure Checklist*.

I have carefully read, reviewed, and considered my *Arbitrator Disclosure Report* and certify that (check one):

_____ I have nothing additional to disclose. My *Arbitrator Disclosure Report* is accurate, current, and up-to-date.

_____ I have noted changes or corrections on the Report.

Arbitrator's Signature

Date

STATE OF _____
COUNTY OF _____

On this _____ day of _____ 200_, before me personally appeared _____, to me known and known before me to be the individual described in and who executed the foregoing instrument and s/he acknowledged to me that s/he executed the same.

ARBITRATOR DISCLOSURE CHECKLIST

The Arbitrator Disclosure Checklist is sent to the arbitrators as part of the Oath of Arbitrator. It not only provides a **reminder** to the arbitrators to consider all possible disclosures, but also **requires** a complete explanation of any possible conflict to the parties.

Please indicate your response to each of the questions listed below by checking the appropriate box. *Please check "yes" or "no" to each question.* Provide a full explanation to any question(s) to which you provided a "yes" response. All affirmative responses and explanations will be sent to the parties.

	YES	NO
1 Do you presently represent any person in a proceeding adverse to any party to the arbitration?	[]	[]
2 Have you represented any other person against any party to the arbitration in the past five years?	[]	[]
3 Have you been retained to assist any party as an expert or otherwise in a proceeding involving any party to the arbitration in the last five years?	[]	[]
4 Have you had any professional or social relationships with counsel for any party in this proceeding or the firm for which they work?	[]	[]
5 Have you had any professional or social relationships with any party in this proceeding or the firm for which they work?	[]	[]
6 Have you had any professional or social relationships with any relative of any party, counsel, or identified witness in this proceeding?	[]	[]
7 Have you ever served as an arbitrator in a proceeding in which any of the identified witnesses or named parties gave testimony?	[]	[]
8 Have you or any member of your family maintained an account individually, jointly or beneficially with the named brokerage firm?	[]	[]
9 Have you ever, as a party to an arbitration or litigation, named a brokerage firm, or been named by a brokerage firm in any civil law suit or arbitration proceeding?	[]	[]
10 Have you ever been named as a party by an investor in any civil lawsuit or arbitration proceeding?	[]	[]
11 Are you a member of any securities-related organization (e.g., Securities Industry Association) or organization of claimants or attorneys who periodically represent investors in suits against brokerage firms (e.g., Public Investors Arbitration Bar Association)?	[]	[]

	YES	NO
12 Have any of your relatives named a brokerage firm, or been named by a brokerage firm, in any civil lawsuit or arbitration?	[]	[]
13 Have you or a member of your immediate family invested in or held any of the securities that are the subject of this dispute during the time periods in question?	[]	[]
14 Have you, any member of your immediate family, and/or close social or business associate, been involved in the last five years in a dispute involving the same subject matter as contained in the case to which you are assigned?	[]	[]
15 Has any member of your immediate family or household been employed by a brokerage firm?	[]	[]
16 Have you had any social or professional relationship with any other arbitrator assigned to this case?	[]	[]
17 Excluding any arbitration or litigation proceeding where your conduct or your role as an arbitrator was at issue, has your conduct been at issue in any arbitration or litigation proceeding where you were not named as a party?	[]	[]

Explain any “yes” answers to the above questions. If needed, attach additional sheets.

ARBITRATOR DISQUALIFICATION CRITERIA

The Arbitrator Disqualification Criteria is also sent to the arbitrators as part of the Oath of Arbitrator. It **must** be reviewed by the arbitrators to confirm whether they meet any of the criteria for disqualification. An arbitrator who is subject to disqualification **cannot** act as an arbitrator on any case.

Criteria For Temporary Disqualification Temporary Disqualification will result in temporary declination as to new applicants and a status of “inactive” as to already enrolled arbitrators.

Pending Actions	Arbitrator is the subject of, or is a party to, a pending investment-related civil action or arbitration claim initiated by a customer; or, civil action or administrative complaint initiated by a regulatory body; or, a civil action or regulatory complaint alleging discrimination or sexual harassment. This provision excludes cases where the arbitrator's conduct in his or her role as an arbitrator is at issue.
Subject of Claims or complaints	Arbitrator is the subject of, or is a party to, three (3) or more claims or complaints (reportable on Form U-4) within the last ten (10) years regardless of outcome.
Filed a statement of claim or complaint	Arbitrator is a party (excluding representatives and unnamed parties to class actions) that has filed two or more investment-related civil actions or arbitration claims within the last ten (10) years.
Final decisions, awards	Arbitrator is the subject of, or is a party to, a final, adverse investment-related court decision or arbitration award of \$25,000 or more within the past seven (7) years resulting from a customer-initiated complaint or claim.
Decisions, awards, involving discrimination/sexual harassment	<p>Arbitrator is the subject of, or is a party to, a final, adverse court decision or arbitration award of \$25,000 or more involving any discrimination including sexual harassment within the last seven (7) years.</p> <p>Arbitrator is the subject of, or is a party to, a final, adverse regulatory decision involving any discrimination claims, including sexual harassment, issued within the past seven (7) years.</p>
Final regulatory action	Arbitrator is the subject of, or is a party to, any final adverse decision issued by any regulatory authority within the past seven (7) years, where the adverse decision does not involve a technical violation or does not give rise to a statutory disqualification.
Director of Arbitration's judgment	The Director of Arbitration may temporarily remove an arbitrator, if, in his or her sole judgment, it is determined that the arbitrator is not otherwise properly included in the list of eligible neutrals.

Criteria for Permanent Disqualification Permanent Disqualification means the application of any new applicant will be rejected and enrolled neutrals will be removed from the roster without possibility of reconsideration.

Misstatement/omission	Misstatement or failure to disclose material information in the arbitrator profile.
Disciplinary actions	Final, adverse disciplinary action by any domestic or foreign regulatory or governing professional body on a finding of, including but not limited to, false statement or omissions, material violation of investment-related regulation or the violation of a non-technical rule of such organizations or statute.
Misdemeanors	Misdemeanor involving investments, investment-related activities.
Felonies	Felony conviction or plea of guilty or nolo contendere (no contest) to a felony charge.
Fraud	Final adverse court decisions where there has been a finding of fraud.
Statutory disqualifications	Statutory disqualifications not included above.
Director of Arbitration’s judgment	The Director of Arbitration, upon the approval of the National Arbitration & Mediation Committee, may remove an arbitrator if in his or her judgment the arbitrator is not otherwise properly included in the list of eligible neutrals.



THE NEUTRAL CORNER...A Survey of Our Audience

In 1995, NASD Dispute Resolution, Inc., developed a newsletter entitled *The Neutral Corner*, designed to inform its roster of mediators and arbitrators, as well as other constituents, about new initiatives, the status of proposed rule filings, important procedures and guidelines, and other items of interest. Since effective communication is essential to the dispute resolution process, NASD Dispute Resolution staff also wants its neutrals to know who we are and how they can reach us.

It's been five years since the creation of *The Neutral Corner*. Accordingly, we'd like to take this opportunity to learn your thoughts about our newsletter. Please take a few minutes to give us your feedback by completing the following survey. A self-addressed, postage-paid envelope is enclosed for your convenience. You may also fax your completed survey to Luis Cruz at (212) 858-4389. Your responses will be kept confidential.

Thank you in advance for your time and cooperation.

Instructions: Please mark the appropriate box.

1 Are you:

an NASD Dispute Resolution Arbitrator: yes no

an NASD Dispute Resolution Mediator: yes no

2 Are you:

an attorney a non-attorney

3 Are you classified as a(n):

public arbitrator industry arbitrator

4 How often do you read *The Neutral Corner*?

every issue occasionally never

5 Overall, do you like our newsletter?

yes no no opinion

