

Office Of Dispute Resolution Hires Two Regional Directors

NASD Regulation's Office of Dispute Resolution recently appointed two new regional directors. Elizabeth R. Clancy assumed her duties as Northeast Regional Director, based in New York, in early March. Rose M. Schindler is the new Director of the Florida Region; she is based in Fort Lauderdale and began in November of 1996.

Clancy joined NASD Regulation from the Long Island Lighting Company where she served as Man-

aging Counsel since 1995. Before joining NASD Regulation, Schindler worked in the Southeast Regional Office of the SEC for four years, most recently as its Associate Regional Director.

Clancy succeeds Dorothy Popp who was promoted to Director of Operations for the Office of Dispute Resolution, while Schindler succeeds Neal Blacker, the new Director of Neutral Training and Development. (See story on page 9.)

Early Appointment Of Arbitrators Initiative Continues To Build

In July 1996, the NASD Regulation Board of Directors approved an initiative to accelerate the appointment of arbitrators. Under this initiative, NASD Regulation appoints arbitrators shortly after a respondent's answer is filed or due. After the appointment of arbitrators, the Office of Dispute Resolution schedules a pre-hearing conference by telephone during which the arbitrators, in consultation with the parties and their counsel, establish hearing dates, identify pre-hearing motions, and set a discovery schedule.

The Office of Dispute Resolution kicked off this effort in mid-September in the regions administered by its San Francisco and Fort Lauderdale offices. Parties have reported high satisfaction knowing arbitrators are available to respond if a need arises. We will continue to expand this initiative in the New York office beginning in early May 1997. You will receive further details from the New York office staff in the near future. This summer, the Chicago office also will implement the early appointment of full panels.



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The Neutral Corner is published by the NASD Regulation Office of Dispute Resolution in conjunction with NASD Corporate Communications. *The Neutral Corner* is distributed in April, August, and December of each year. Send all correspondence to Tom Wynn, Editor, NASD Regulation Office of Dispute Resolution, 125 Broad Street, 36th Floor, New York, New York 10004, or call (212) 858-4400.

This publication is provided at no cost to all NASD Regulation-approved neutrals. To change your mailing address, contact Margaret Duzant, NASD Regulation Office of Dispute Resolution, at (212) 858-4310. Annual subscriptions may be purchased for \$25, and single issues may be purchased for \$10 through 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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NASD REGULATION

The Neutral Corner

NASD And NASD Regulation Boards Act On Important Task Force Proposals

In the first quarter of 1997, the National Association of Securities Dealers, Inc. (NASD®) Board of Governors acted on two important proposals submitted by the NASD Regulation, Inc., Board of Directors* — a punitive damage rule and an amendment of the eligibility rule (NASD Rule 10304, formerly Section 15). Both rules will be filed with the Securities and Exchange Commission (SEC) shortly for notice, comment, and approval. During the approval process, all interested parties will have the opportunity to file comments with the SEC. These Board actions are the result of the January 1996 recommendations of the NASD Arbitration Policy Task Force (Task Force) chaired by former SEC Chairman David S. Ruder, and of consultations with the NASD RegulationSM National Arbitration and Mediation Committee, the Securities Industry Conference on Arbitration (SICA), and interested forum constituents.

Punitive Damages

In November 1996, the NASD Regulation Board approved a rule authorizing arbitrators to award punitive damages in public customer arbitrations provided the party seeking such damages is, at the time the arbitration claim is filed, a citizen of a state in which a court could award punitive damages for the same type of claim. This rule provides that arbitrators will also look to that state's law for the standard of conduct to be used in determining whether the evidence presented warrants an award of punitive damages. In addition, the rule would cap or limit the amount

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Practitioner Mediator Council Reviews Applications

The application process for the Practitioner Mediator Roster concluded at the end of March. Almost 200 candidates submitted applications. The Council met on April 29, 1997, for the first review of the applications, and will soon invite the selected nominees to attend, at their own

expense, a mediator skills training session sponsored by NASD Regulation.

Last year, our mediator skills training in New York and Chicago was well received. This year, NASD Regulation will sponsor training for mediators in at least five locations. We will hold the

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The Newsletter for NASD Regulation Arbitrators and Other Neutrals

Message From The Editor

We're Changing Our Look

You may have already noticed that we have changed the color of our newsletter. When NASD Regulation was established last year, Corporate Communications developed a corporate logo and identity for the new subsidiary.



One purpose of our corporate identity is to institute uniform standards for our publications. Part of the corporate identity includes a specified color palette from which the new color for this publication was selected.

New York Dispute Resolution Staff Moves To New Offices

NASD Regulation's New York Office of Dispute Resolution moved to a new location in early March. Please note that our phone and fax numbers remain the same.

NASD Regulation, Inc.
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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 Regulation reserves the right to publish or not publish the letters received.

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Council Reviews Applications *From page 1*

three-day, introductory program in the following cities:

Kansas City	April 16–18
New York	June 23–25 and November
Seattle	July or August
Phoenix	October
Atlanta or Fort Lauderdale	November or December

Our program covers the spectrum of dispute resolution methods, ethical issues confronting mediators, and impasse-breaking techniques, while providing significant role-play opportunities. Participants will come away with a formula for the facilitative, caucus-style format that our mediation program favors.

Reservations are required for the spaces available. The \$650 cost of the program includes breakfast and lunch each day. For more information about mediator skills training, or to register for a session, please call the NASD Regulation Office of Dispute Resolution nearest you (see the Directory on page 2 for a list of offices). You may fax your request for a registration form to (212) 509-9041. Watch this publication for specific dates and locations for upcoming programs.

Mediation Program Continues To Expand

NASD Regulation Mediation Region	Cases Closed	Settlements	%	Open Cases
San Francisco	169	138	82%	52
New York	159	146	92%	26
Chicago	66	46	70%	11
Fort Lauderdale	34	21	62%	23
Total	428	351	82%	112

Year Ending 12/31/96

The NASD Regulation Mediation Program continued to pick up steam during 1996. The year-end figures reflect more than 400 mediation cases closed with a settlement rate of 82 percent. Mediation staff additions approved for 1997 promise to build activities in the Chicago and Fort Lauderdale regions. These additions, plus the buildup of momentum in the New York and San Francisco regions, lead us to project a caseload for 1997 of more than twice the 1996 figures.

The average life of a mediation case is about 60 to 75 days. This quick turnaround time translates into potential savings of time and cost for parties using the mediation alternative. Parties who try mediation usually report they will use the process again; we have already seen repeat business from counsel representing both investors and member firms.

Boards Act On Important Task Force Proposals *From page 1*

of punitive damages that can be awarded to *up to* two times compensatory damages or \$750,000, whichever is less.

At its January 1997 meeting, the NASD Regulation Board recommended to the NASD Board approval of the above rule and its prospective application. The NASD Board voted its approval of the rule and its application to claims filed on and after the rule's effective date.

Eligibility

In March 1997 and in April 1997, the NASD Regulation Board and the NASD Board approved, respectively, an amended eligibility rule. If approved, the amended rule will:

- retain the current six-year eligibility rule;
- consider all filed claims eligible unless challenged;
- establish bright line transaction and non-transaction dates from which the NASD Regulation Director of Arbitration (Director) will measure and make final eligibility decisions;
- permit investor claimants the option of taking all of their claims to court in the event any claim is determined to be ineligible;
- establish that ineligible investor claims are not barred from filing in court under the election of remedies doctrine or because investors signed pre-dispute agreements to arbitrate such claims; and
- apply prospectively, meaning that the eligibility of claims older than six years on the amended rule's effective date will be determined by arbitrators—not by the Director—pursuant to present administrative procedures. (See *The Neutral Corner* published in December 1996 for a discussion of the present eligibility procedures.)

In situations where investors have signed pre-dispute arbitration agreements, but file their claims in court *first*, the rule will:

- permit member firms to request that the court compel arbitration *provided* all claims, ineligible and eligible, are sought to be compelled to arbitration and, once all claims are filed in arbitration, preclude any eligibility challenges;

- permit member firms to challenge claim eligibility where the court compels the arbitration of the claims on request of the investor plaintiffs; and
- permit member firms to request court dismissal of investor-plaintiff claims on substantive statute of limitation grounds.

Other NASD Regulation Board Actions

Other arbitration rule changes resulting from the Task Force initiatives have been approved by the Board and filed with the SEC. These include amendments to NASD Rules 10302 (formerly Section 13) and 10203 (formerly Section 10) that will increase the dollar ceiling of public and industry claims to be decided by a sole arbitrator *on the papers filed* from \$10,000 to \$25,000, and amendments to NASD Rules 10202 (formerly Section 9) and 10308 (formerly Section 19) that will raise the dollar ceiling for claims to be *heard* by a sole arbitrator from \$30,000 to \$50,000. NASD Rule 10302 will continue to allow investors to request a hearing if a claim is \$25,000 or less. In addition, NASD Rule 10308 will continue to permit any disputant to request a panel of three arbitrators if the claim is over \$25,000, but does not exceed \$50,000.

The *new* list selection method for the appointment of arbitrators in customer cases has been approved by the Board. It will be filed for approval with the SEC shortly. (See *The Neutral Corner* published in December 1996 for a discussion of this rule.)

Still other rule changes previously approved by the NASD Regulation Board in May of last year will be filed for approval with the SEC. These rule changes also are designed to improve the arbitration process. Amendments to NASD Rules 10310 (formerly Section 21), 10311 (formerly Section 22), and 10313 (formerly Section 24) will extend various time periods. NASD Rule 10310 will increase the time for notice of the selection of arbitrators to parties from 8 to 15 days prior to the first hearing date. NASD Rule 10311 will clarify the Director's authority to grant additional peremptory challenges to parties and will extend the time from 5 to 10 business days to exercise these challenges. Similarly, NASD Rule 10313 will

extend the time that a party may peremptorily challenge a replacement arbitrator from within 5 to within 10 business days of notice of the replacement's identity. Finally, an amendment to NASD Rule 10330 (formerly Section 41) will conform the rule to present practice by specifying that awards may be served by facsimile transmission or other electronic means.

During 1997, the NASD Regulation Board will continue to act on other Task Force initiatives relating to the discovery process, collateral litigation, required disclosures in customer predispute arbitration agreements, and the arbitration of employment controversies, including statutory discrimination claims.

Injunctions Rule Update

Pursuant to the request of NASD Regulation, the SEC granted a second one-year extension of NASD Rule 10335—the Injunctions Rule—through January 3, 1998. (See the December 1996 issue of *The Neutral Corner* for more on this rule.)

** Note that these are two separate Boards. The NASD Board of Governors is the Board of the parent organization—the National Association of Securities Dealers, Inc. The NASD Regulation Board of Directors is the Board of the regulatory arm of the NASD and one of the NASD's subsidiary organizations—NASD Regulation, Inc. The Office of Dispute Resolution resides within NASD Regulation.*

The Hearing Procedure Script— The Chairperson's Guide To Successful Hearings

by Tom Wynn, Editor-In-Chief

The *Hearing Procedure Script (Script)* is one of the materials received by the arbitrators after they have been selected to hear a case. The *Script* provides standard language, procedures, and guidelines for the conduct of evidentiary hearings. This article will explore how the Chairperson's use of the *Script* will assist in the fulfillment of the panel's *three primary* duties: the duty of neutrality; the duty to conduct fair hearings; and the duty to make final decisions.

The Duty Of Neutrality

Disclosure

NASD Rule 10312 (formerly Section 23) defines an arbitrator's duty to disclose as a continuing obligation to disclose to all parties at any stage of the proceeding any direct or indirect, past or present, interest or relationship that might reasonably create an appearance of non-neutrality or bias in the eyes of any disputant. This obligation constitutes one of the primary duties of NASD Regulation arbitrators—to be and to remain neutral or unbiased in fact and in appearance. As a matter of fact, the language of this rule mirrors the American Bar Association (ABA)

and American Arbitration Association (AAA) Code of Ethics for Arbitrators in Commercial Disputes (Code of Ethics). (Compare Ethical Canon II A, B, and C with NASD Rule 10312 (a), (b), and (c).)

In addition, nondisclosure poses a real threat to award finality since it may constitute evident partiality—one of the few legal grounds for overturning or vacating panel decisions. And, because it interferes with a party's ability to make informed challenges to arbitrators, nondisclosure always detracts from this forum's reputation for integrity.

At the outset of the *first* hearing, the *Script* calls for the Chairperson to state past and new arbitrator disclosures before asking the parties if they accept the panel. By following this procedure, the Chairperson demonstrates the panel's genuine concern for neutrality in front of all parties, representatives, and witnesses. By doing so on the record, the Chairperson helps to eliminate later court complaints of bias on grounds of nondisclosure.

The *Script* requires that the Chairperson either administer the Oath or Affirmation of Arbitrators or state that it has been signed previously by the presiding arbitrators. This act complies with NASD Rule

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Hearing Procedure Script *From page 5*

10327 (formerly Section 38). It also is a formal declaration by the arbitrators to everyone present that they have made a *reasonable* effort to disclose any interest or relationship that might interfere or appear to interfere with their duty to hear and decide all matters fairly.

Demeanor

Ethical Canon III of the ABA/AAA Code of Ethics states that arbitrators should avoid impropriety and the appearance of impropriety by not discussing the controversy with any party in the absence of other parties.

The *Script* calls for the Chairperson to read a statement at the beginning of the *first* hearing that requests all parties and their representatives to refrain from any conversation or other contact with any panel member unless everyone is present in the hearing room. The Chairperson should utilize this procedure at the commencement of *every* hearing because it reminds arbitrators and parties alike of the importance of neutrality and its perception in this final process. For the same reasons, the *Script* calls for the Chairperson to read statements that instruct all parties at the *end of every* hearing to communicate only and directly with assigned staff and to leave the hearing room at the same time.

Use of these *Script* guidelines, like those pertaining to disclosure, will go a long way toward eliminating party requests to vacate final awards on grounds of real or perceived arbitrator bias.

The Duty To Conduct Fair Hearings

Disputants

NASD Rule 10317 (formerly Section 28) provides that all parties and their counsel are entitled to attend all hearings. However, absent parties may raise issues that require panel determinations. At the *first*

hearing these issues may include whether under NASD Rule 10301 (formerly Section 12) or NASD Rule 10201 (formerly Section 8) there is proper jurisdiction over a missing respondent who has not filed an executed submission agreement. Or the issue may be whether under NASD Rule 10314 (formerly Section 25) the claim was properly served on a respondent who has not filed an answer. At the *initial* hearing and at *later* hearings the question may be

whether under NASD Rule 10318 (formerly Section 29) a non-appearing respondent was provided with due notice of the particular hearing.

Representation

NASD Rule 10316 (formerly Section 27) grants parties the absolute right to

counsel at any stage of the proceedings. The retention of counsel or a change in counsel shortly before the *first* or *subsequent* hearings may raise new conflict of interest issues with the presiding arbitrators.

The Arbitrator's Manual states that in the event parties choose to proceed without counsel, the panel must often take a more active role in providing procedural guidance to these unrepresented parties. Here the issues for the panel may include determining the sophistication of the *pro se* parties in terms of their ability to follow procedural instructions; determining the content of the procedural guidance; and determining how to communicate such guidance in a neutral manner.

Witnesses

NASD Rule 10327 (formerly Section 38) requires that all witnesses take an oath or affirmation prior to testifying. Once again, recently disclosed witnesses may raise new conflict issues for the panel. In addition, the panel may have to resolve disagreements as to whether certain witnesses such as those offered as experts may stay throughout the testimony of others.

**The Chairperson's use
of the Hearing Procedure
Script is *central* to the
conduct of *effective* hearings.**

At the beginning of the *first* hearing, the *Script* provides that the Chairperson elicit the identity of everyone appearing at the hearing. The Chairperson should identify on the record all parties, whether they are represented or appearing *pro se*, and all witnesses. These guidelines should be employed at the beginning of *every* hearing to assure the resolution of threshold issues such as those relating to absent parties, conflicts among new counsel or new witnesses and the panel, the extent and delivery of procedural guidance to *pro se* parties, and whether nonparty witnesses and other persons may remain in the hearing room throughout these naturally private proceedings.

Right To Be Heard

Parties expect to have the opportunity to be fully and fairly heard because this private process is a final one under NASD Rule 10330 (formerly Section 41). In addition, federal and state arbitration laws condition award finality on the panel's protection of this fundamental right. Indeed, courts will vacate awards if arbitrators commit serious procedural irregularities that substantially prejudice any party's right to be heard. Equally important, arbitrator misconduct will have a significant negative impact on the credibility of a forum that professes to seek justice and fairness for all. As *The Arbitrator's Manual* states: "(I)n arbitration, even more than in court, not only must justice be done, but justice must also be seen to be done"

After the parties have concluded their evidentiary presentations, the *Script* contains two questions that the Chairperson should ask each party on the record. Do the parties have any further evidence to present? Will each of the parties, beginning with the claimant(s), state affirmatively whether you have had a full and fair opportunity to be heard?

These inquiries will demonstrate the panel's genuine concern for the right of all disputants to be heard. And any negative responses by the parties will permit the panel to ascertain and to rule on any evidentiary or other procedural problems that still exist before the close of the hearing(s). This procedure will help to lessen attacks on awards on grounds of panel misbehavior and will help to preserve this forum's reputation for fairness.

Moreover, Chairpersons who realize the importance of these two inquiries at the close of the hearings will remember to protect every party's right to be fully and fairly heard on all areas of contention *throughout* the proceedings. This right includes the opportunity to obtain, to offer, to examine, to object, and to comment upon the evidence and to argue important facts and applicable law. But, it also means the real chance to be heard on all requests or motions, including those relating to a change in hearing location; the consolidation of separate arbitrations; the severance of claims from an arbitration; the amendment, clarification, or striking of filed pleadings; the adjournment of hearings; discovery; the preclusion of presentations or defenses, etc. (Please refer to the article on handling key procedural issues in the August 1996 issue of *The Neutral Corner*.)

The Duty To Make Decisions

Awards

It is essential that the presiding arbitrators know precisely what issues require their decision prior to the taking of evidence for two important reasons. First, a panel's decision on issues not submitted is a legal basis for award vacation on grounds that the

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Peer Evaluations

The most important element in successful arbitration programs is *quality neutrals*. Arbitrator evaluations of peers assist the Office of Dispute Resolution in retaining quality panelists and in identifying training needs. Arbitrator comments on the process contribute to improvements in the rules and their administration by the staff. Please remember to file your evaluations and comments. (See the December 1995 issue of *The Neutral Corner* for more on the importance of evaluations.)

Hearing Procedure Script *From page 7*

arbitrators exceeded their authority. On the other hand, a panel's failure to decide all submitted issues also is grounds for vacation of its award.

At the *first* hearing's commencement, the *Script* provides that the Chairperson read statements on the record that the panel has been selected to make final decisions on all matters submitted in the papers filed by the parties; that the panel has read those papers; and that the panel has marked and received the papers into evidence as a panel exhibit. The panel complies with NASD Rule 10320 (formerly Section 31) when the Chairperson acknowledges to everyone present that the arbitrators have read the filed pleadings. But together these statements do something more important. They confirm and remind all hearing participants that the panel's decision-making authority and responsibility are contractually limited to and defined by the submissions of the parties and any amendments subsequently consented to by the panel under NASD Rule 10328 (formerly Section 39).

Referrals

Aside from their power to decide submitted controversies, arbitrators have another important power—the power to initiate referrals for possible disciplinary action after the disposition of the case. These referrals may be based upon any matter coming to their attention in connection with the case.

The *Script* provides that the Chairperson read a statement on the record that reminds all parties of the panel's authority to make referrals under NASD Rule 10105 (formerly Section 5).

Discretion

Arbitrators should be reluctant to make any changes to the *Script's* verbatim language. However, arbitrators may vary *Script* procedures provided all parties are allowed a *full* and *fair* opportunity to be heard. For example, the *Script* states that the claimant may proceed first with an opening statement and first

with the presentation of evidence. However, the arbitrators may allow a respondent to call a witness during a claimant's presentation if they are persuaded that the particular circumstances warrant such action. In this event, the Chairperson should make it clear that the panel will consider reasonable requests to recall this witness at a later time or date.

The *Script* and IM-10317* of the Code of Arbitration Procedure state that a claimant may make a closing argument last. But the panel could permit a respondent to make additional comments after a claimant's closing statement provided the claimant has the last word.

The *Script* provides for closing arguments after all parties have rested or completed their presentations of evidence. The panel may, nevertheless, permit the introduction of additional evidence subsequent to summations, but prior to the issuance of a final award, provided all parties are given a reasonable opportunity to examine, object, and comment upon such evidence and to introduce countervailing testimony and documents.

The preceding examples demonstrate that panel discretion is alive and well under the *Hearing Procedure Script*. However, panel discretion should neither deter nor lessen the Chairperson's continuous and consistent use of this purposefully written tool in the hearing setting. Chairpersons who understand the reasoning behind each segment of the *Script* will regularly consult and follow its procedures and guidelines in order to ensure proceedings that are characterized by ethical conduct, fairness, and compliance with arbitration rules and laws.

* *IM* stands for *Interpretive Material of the Rules of the Association* that has not been converted to Rule form, including interpretations, resolutions, explanations, policies, and guidelines. The *IM* number includes the number of the Rule or Rule Series which the material interprets.

NASD Regulation Neutral Training And Development Staff In Place

The NASD Regulation Office of Dispute Resolution has recently established a section exclusively devoted to neutral training and development. The main mission for Neutral Training and Development is to assure a broad and diverse roster of highly qualified neutrals—arbitrators and mediators—to serve NASD Regulation’s customers.

The leadership of this area is comprised of Neal Blacker, Director of Neutral Training and Development, and Tom Wynn, Assistant Director of Neutral Training and Development and Editor-In-Chief of *The Neutral Corner*.

Before joining the New York office, Blacker was Regional Director of the NASD Regulation Dispute Resolution Office in Florida from 1994 to 1996. He also served as Regional Director of the American Arbitration Association’s Seattle regional office for 20 years. Wynn has worked in many areas, all within the NASD Arbitration Department (now the NASD Regulation Office of Dispute Resolution), for the past 28 years. Among his many duties, Wynn served as Assistant Director in charge of the New York office, a staff attorney, and a staff and arbitrator trainer.

Blacker and Wynn will oversee and administer four important areas: recruitment of neutrals, review and approval of applications, maintenance of the neutral roster, and training.

Recruitment Efforts

Blacker indicates a strong commitment to increasing the diversity of the neutral roster by augmenting its current rolls with “qualified women and minorities.” Staff has expanded and will continue to expand outreach to a variety of individuals, such as Certified Financial Planners, CPAs, and lawyers. The Office of Dispute Resolution is also looking at dispute resolution sections of bar associations and industry groups, as well as expansion of regional brokerage house representation on the roster.

In support of these recruitment efforts, the Office of Dispute Resolution has provided additional resources and will soon add two full-time recruiters: one based in the New York office to assist the regional dispute resolution directors in New York and Florida; and one based in San Francisco to assist the San Francisco and Chicago regional office recruitment efforts.

Review And Approval Of Applications

Staff members for this area are responsible for ensuring that the information contained in the application forms is complete. They also must ensure that the review and approval process is fair and efficient.

In support of this effort, last year the Office of Dispute Resolution revised its application process by producing two separate forms—an Arbitrator Application Form and an Arbitrator Profile Form—to gather vital information about its potential arbitrators. The new user-friendly forms helped NASD Regulation qualify more applicants quickly and got them to the next step faster—arbitrator training. From January 1996 to March 1996, the Office of Dispute Resolution recruited and enrolled 190 arbitrators; during that same time in 1997, using the streamlined forms, the Office of Dispute Resolution recruited and enrolled more than 300 new arbitrators.

Maintenance Of The Neutral Roster

The Neutral Training and Development staff will continue to put forth initiatives that ensure up-to-date, accurate information on its roster of arbitrators. “It is imperative that we have up-to-date information on arbitrators on our rosters,” says Blacker. “If an arbitrator moves to a different company, has an address change, or if an arbitrator has any other significant changes to disclose, that person has to supply us with that information as quickly as possible. If parties don’t have accurate information, then they are not making informed selection decisions.”

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Staff In Place *From page 9*

To facilitate timely and accurate information-sharing, the Office of Dispute Resolution is examining the possible use of different systems to make updating this type of vital information more workable. Possible initiatives include developing a computer program that allows direct access to disclosure statements, as well as developing mechanisms that make it easier for arbitrators to convey information to the Dispute Resolution Office.

Training Programs

The Neutral Training and Development section actively reviews existing training programs to ensure effectiveness and to find ways to update and improve programs. Under the direction of Blacker and Wynn, staff members are monitoring, reviewing, and assessing the new Panel Member (Introductory) and Chairperson training programs. (See the December 1996 issue of *The Neutral Corner* for specific information about these two programs.) Trainee evaluations for these two new programs have been very positive.

Staff continues to explore new training possibilities to enhance neutral development. The Office of Dispute Resolution is now developing new training

programs for implementation in 1998. A securities sales and trading practices program will provide documentation for persons not familiar with the securities industry. Staff is currently revising and augmenting its employment law course. Other initiatives will include expanded training on specific subject areas such as the discovery process.

Staff will also provide various services and current information to arbitrators through updated training programs and in publications—such as *The Neutral Corner*—highlighting important developments in arbitration rules and practices.

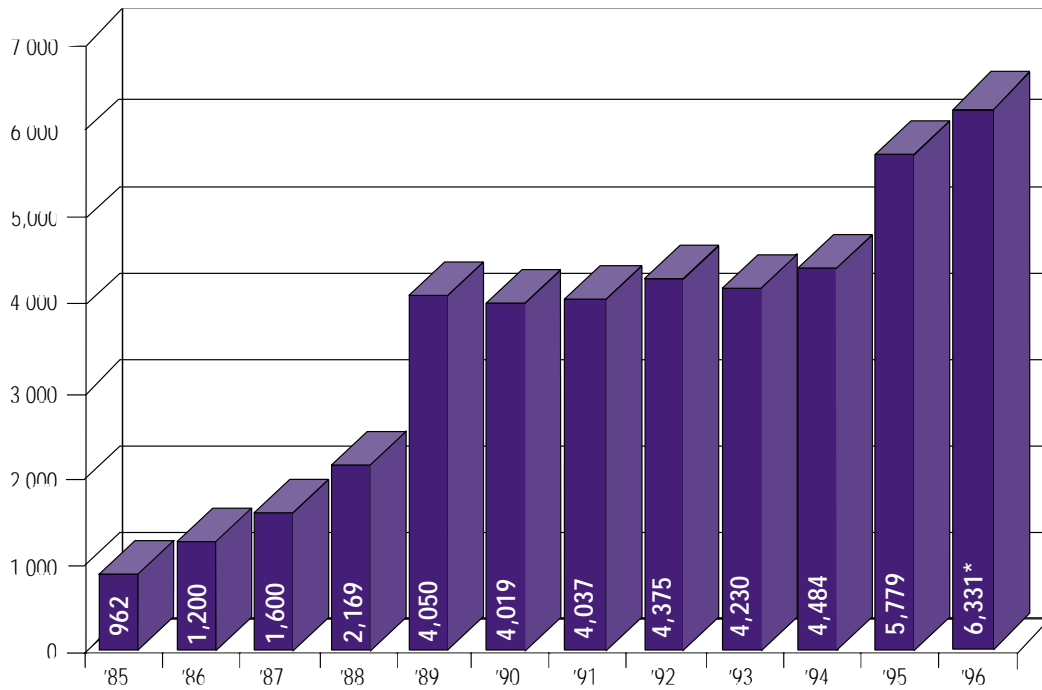
The areas discussed above are among the many initiatives of the Neutral Training and Development arm of the Office of Dispute Resolution. The staff is confident and poised to move forward with the help and guidance of many key participants. Neal Blacker states, “We need our arbitrators, trainers, and staff to be part of this team effort.”

Please look to subsequent issues of *The Neutral Corner* for updates on neutral training and development activities in the coming year.

Duty To Disclose

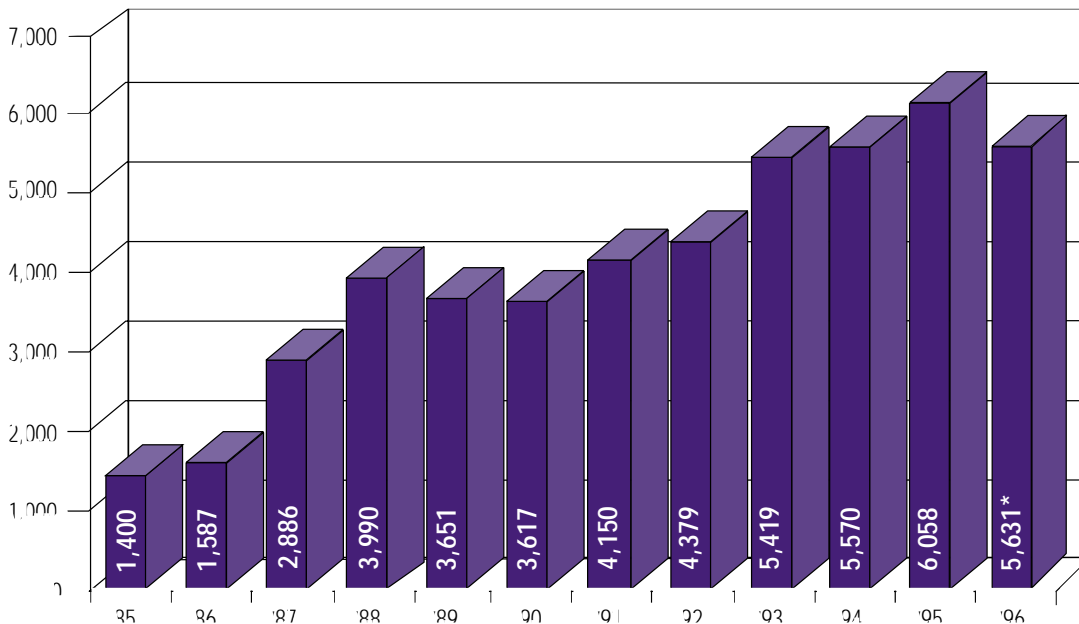
After you are selected to serve on any arbitration, a copy of your *Disclosure Report* will be sent to you. You *must* take the time to review the information contained in your report, and verify its completeness and accuracy with assigned staff. (See the December 1995 issue of *The Neutral Corner* for more on your ongoing duty to disclose.)

NASD Regulation Arbitration Cases Closed Annually



**This represents an increase of 10 percent over last year.*

NASD Regulation Arbitration Cases Filed Annually



**This represents a decrease of 7 percent over last year.*