

PACIFIC EXCHANGE, INC.  
115 Sansome Street  
San Francisco, California 94104

In the Matter Of The Arbitration Between:

PCX Arbitration No. 03-S004

REBECCA LIFTON,

Claimant,

v.

MERRILL LYNCH, PIERCE, FENNER &  
SMITH INCORPORATED, JEFFREY  
HANSON and PETER ECONOMOS,

Respondents.

**STIPULATED ARBITRATION AWARD**

The undersigned Arbitrators, having read and considered the Claim submitted by Claimant Rebecca Lifton ("Claimant") on or about January 2, 2003, and the Answer of Respondents; and having considered all papers submitted in this matter, hereby rend the following Stipulated Arbitration Award pursuant to Rule 12.30 of the Rules of the Pacific Exchange:

REPRESENTATION OF THE PARTIES

Of Claimant:

Timothy A. Canning, Esq.

*Law Office of Timothy A. Canning - Novato, CA*

Of Respondents:

Eric J. Glasman, Esq.

*Mennemeier, Glasman & Stroud LLP - Sacramento, CA*

SUMMARY OF CLAIMS AND STIPULATION OF THE PARTIES

By her Statement of Claim filed on or about January 2, 2003, Claimant alleged claims for fraud, negligence, breach of contract and breach of fiduciary duty.

By their Answer filed on or about December 3, 2003, Respondents denied all claims made by Claimant.

On or about December 9, 2005, the parties filed a Stipulation Requesting Award Recommending Expungement of Matter from the CRD Records of Respondents Jeffrey Hanson and Peter Economos.

## RELIEF REQUESTED

### BY CLAIMANT:

By her Statement of Claim, Claimant requests damages and other relief as follows:

1. \$120,000.00 which represents restoration of the account's value to where it would be today had the monies in the account been invested in bonds and other income-producing securities;
2. Reimbursement for the reasonable costs and fees in the prosecution of this claim, including expert witness fees and attorney fees;
3. Reimbursement for Claimant's attorney fees;
4. Punitive and exemplary damages; and
5. Any other award of damages the panel deems appropriate upon conclusion of the evidentiary hearing.

### BY RESPONDENTS:

By their Answer, Respondents seek the following relief by way of denial and affirmative defenses:

1. The Statement of Claim be dismissed in its entirety;
2. All the costs of this proceeding be assessed against the Claimant; and
3. The matter be expunged from both Jeffrey S. Hanson's and Peter N. Economos' registration records.

## DECISION

The arbitration panel, after considering all evidence and papers submitted, render the following Stipulated Award:

1. The parties have entered into a confidential settlement of this matter.
2. This matter is dismissed in its entirety with prejudice upon Merrill Lynch fulfilling its obligations pursuant to the confidential Settlement Agreement.
3. The arbitrators recommend and direct that all references to the complaints of the Claimant or the claim filed by her be expunged from the records of Respondent Jeffrey Hanson maintained by NASD Regulation in its Central Registration Depository (CRD), with the understanding that, pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Jeffrey Hanson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. The arbitrators recommend and direct that all references to the complaints of the Claimant or the claim filed by her be expunged from the records of Respondent Peter N. Economos maintained by NASD Regulation in its Central Registration Depository (CRD), with the understanding that, pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Peter N. Economos must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

5. Merrill Lynch shall bear any additional costs or fees charged by the Pacific Exchange Inc. in connection with any proceedings that occur in connection with the Stipulation of the Parties Requesting Award Recommending Expungement of Matter from the CRD Records of Respondents Jeffrey Hanson and Peter Economos or otherwise occur in connection with Merrill Lynch's effort to obtain expungement of this matter from the CRD records of Mr. Hanson or Mr. Economos.
6. All other relief requested and not expressly granted is denied.

FEES

The following forum fees have been assessed by the Pacific Exchange, Inc. in this matter:

March 22, 2005 Pre-Hearing Conference	\$ 750.00
October 20, 2005 Pre-Hearing Conference	\$ 750.00
Adjournment Fee	\$ 300.00
Total Forum Fees:	\$1,800.00

Claimant shall be responsible for and pay to the PCX \$750.00 in forum fees.

Respondents shall be responsible for and pay to the PCX \$1,050.00 in forum fees.

The parties have agreed that this Stipulated Arbitration Award may be executed in counterpart copies.

Dated: 4/28/06

Mary M. Bush  
Mary M. Bush, Chairperson

Dated: \_\_\_\_\_

Ronald Vernali  
Ronald Vernali

Dated: 3-6-06

Mos Jacobson  
Mos Jacobson

5. Merrill Lynch shall bear any additional costs or fees charged by the Pacific Exchange Inc. in connection with any proceedings that occur in connection with the Stipulation of the Parties Requesting Award Recommending Expungement of Matter from the CRD Records of Respondents Jeffrey Hanson and Peter Economos or otherwise occur in connection with Merrill Lynch's effort to obtain expungement of this matter from the CRD records of Mr. Hanson or Mr. Economos.
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