

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION



IN RE:

Administrative Proceeding No.:
0536-S-07/10

JANNEY MONTGOMERY SCOTT LLC
CRD# 463,

Respondent.

_____ /


FINAL ORDER

The State of Florida, Office of Financial Regulation, ("Office") and Janney Montgomery Scott, LLC, ("Janney Montgomery") having entered into the Stipulation and Consent Agreement, ("Agreement") attached hereto, last dated April 19, 2011, resolving and concluding this matter, it is therefore

ORDERED:

1. The Agreement entered into by the Office and Respondent, attached hereto, is incorporated herein by reference as if set forth at length; and
2. The parties shall comply with the terms and conditions of the incorporated Agreement.

DONE AND ORDERED this 19th day of April, 2011, in
Tallahassee, Leon County, Florida.



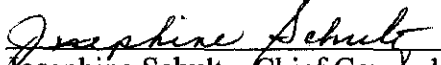
J. THOMAS CARDWELL, Commissioner
Office of Financial Regulation

NOTICE OF RIGHT TO JUDICIAL REVIEW

A PARTY WHO IS ADVERSELY AFFECTED BY THIS FINAL ORDER IS ENTITLED TO JUDICIAL REVIEW PURSUANT TO SECTION 120.68, FLORIDA STATUTES. REVIEW PROCEEDINGS ARE GOVERNED BY THE FLORIDA RULES OF APPELLATE PROCEDURE. SUCH PROCEEDINGS ARE COMMENCED BY FILING ONE COPY OF A NOTICE OF APPEAL WITH THE AGENCY CLERK, OFFICE OF FINANCIAL REGULATION, LEGAL SERVICES OFFICE, SUITE 118, FLETCHER BUILDING, 200 E. GAINES STREET, TALLAHASSEE, FLORIDA 32399-0379, AND A SECOND COPY, ACCOMPANIED BY FILING FEES PRESCRIBED BY SECTION 35.22, FLORIDA STATUTES, WITH THE DISTRICT COURT OF APPEAL, FIRST DISTRICT, 2000 DRAYTON DRIVE, TALLAHASSEE, FLORIDA 32399-0950, OR WITH THE DISTRICT COURT OF APPEAL IN THE APPELLATE DISTRICT WHERE THE PARTY RESIDES. THE NOTICE OF APPEAL MUST BE FILED WITHIN 30 DAYS OF RENDITION OF THE ORDER TO BE REVIEWED.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Final Order was served by regular U.S. Mail to R. Michael Underwood, Esquire, Fowler White Boggs, P.A., 101 North Monroe Street, Suite 1090, Tallahassee, FL 32301 this 19th day of April, 2011.


Josephine Schultz, Chief Counsel
Fla. Bar #0722650
Diane Leeds, Asst. General Counsel
Fla. Bar #232009
Office of Financial Regulation
3111 So. Dixie Hwy., Suite 302
West Palm Beach, FL 33405
(561) 837-5264

Copies furnished to:

Diane E. Leeds, Asst. General Counsel, West Palm Beach
William Reilly, Bureau Chief, Tallahassee

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION

IN RE:

Administrative Proceeding
Number: 0536-S-7/10

JANNEY MONTGOMERY SCOTT LLC
CRD # 463,

Respondent.

STIPULATION AND CONSENT AGREEMENT

The State of Florida, Office of Financial Regulation, ("Office") and Janney Montgomery Scott LLC, ("Janney Montgomery") Respondent, in consideration of the mutual promises herein, recite, stipulate, and agree on the last date executed below as follows:

1. At all times material hereto, Janney Montgomery has been registered with the Office as a dealer, and was notice filed with the Office as a federal covered investment adviser.
2. At all times material hereto, John Thurston has been registered as an associated person of Janney Montgomery the dealer.
3. At all times material hereto, Barbara Kenerson and Peter McAleer have been registered as associated persons of Janney Montgomery, the dealer.
4. At all times material hereto, Michael Blankenship has been registered as an associated person of Janney Montgomery, the dealer and as an associated person of Janney Montgomery, the investment adviser.
5. The Office is of the opinion that grounds exist to initiate an administrative proceeding against Respondent pursuant to Chapter 517, Florida Statutes.
6. Respondent wants to cooperate with the Office and wants to avoid the expense of administrative litigation.
7. The Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding, prior to a hearing and without adjudication of any issue of law or fact, to the entry of the following findings by the Office.

8. The Office finds:

A.) Janney Montgomery has violated Sections 517.221(1) and 517.221(3), Florida Statutes by failing to comply with the terms of the following Registration Agreements:

(1) John Kent Thurston's ("Thurston") registration agreement dated on or about February 6, 2008 – Janney Montgomery was required to notify the Office in writing with supporting documents, of any complaint or action filed against Thurston which directly or indirectly involved his employment in the securities industry within fifteen days, however, the Office was not notified of the State of Illinois Consent Order of Revocation, entered on or about June 30, 2008, which revoked his registration as a salesperson in Illinois.

(2) Thurston's registration agreement dated on or about February 6, 2008 – Thurston was required to conduct business requiring registration at 5100 Town Center Circle, Suite 310, Boca Raton, FL, however, business was conducted from 3248 Big Rock Drive, Ely, Minnesota. Thurston represents that business was temporarily conducted from Thurston's vacation home in Ely, Minnesota, while Thurston was remotely supervised from Janney Montgomery's office in Boca Raton, Florida.

(3) Barbara Kenerson's ("Kenerson") registration agreement dated on or about March 6, 2000 - Janney Montgomery was required to notify the Office of any complaint or action filed against Kenerson which directly or indirectly involved her employment in the securities industry within fifteen days, however, the Office was not notified of (a) a December 11, 2001 complaint against Kenerson alleging an unsuitable transaction related to an over the counter equity, and (b) a June 26, 2002 complaint against Kenerson alleging misrepresentations, churning, excessive trading and breach of fiduciary duty.

The registration agreement also required Janney Montgomery to have Allan M. Gittleman strictly supervise Kenerson's activities and to report any changes in supervision to the Office in writing within fifteen calendar days of the change, however, in July 2001 Steven Pitassi became Kenerson's supervisor and Janney Montgomery failed to notify the Office that Kenerson's supervisor had changed.

(4) Peter McAleer's ("McAleer") registration agreement dated on or about August 21, 2000 – Janney Montgomery was required to conduct business requiring registration with the Office at 85 Old Kings Highway, 1st Floor, Darien, Connecticut, and to notify the Office in writing within fifteen calendar days of any change, however, on or about June 19, 2004 the Darien branch moved to 800 Post Road, Darien, Connecticut and Janney Montgomery failed to notify the Office of the change.

The registration agreement also required Janney Montgomery to have James McKenna, Jr. strictly supervise McAleer's activities and to report any changes in supervision to the Office in writing within fifteen calendar days of the change, however, on March 31, 2008 Joseph Fenton became McAleer's supervisor and Janney Montgomery failed to notify the Office that McAleer's supervisor had changed.

(5) Michael Blankenship's, ("Blankenship") registration agreement dated on or about April 22, 2003, (associated person) – Janney Montgomery was required to have Bernard Cohen strictly supervise Blankenship's activities and to report any changes in supervision to the Office in writing within fifteen calendar days of the change, however, on or about August 29, 2006 Bernard Cohen terminated his registration with Janney Montgomery and Thomas Urban became Blankenship's new supervisor. Janney Montgomery failed to notify the Office that Blankenship's supervisor had changed.

(6) Michael Blankenship's registration agreement dated on or about May 10, 2005, (registered agent of the investment advisor) - Janney Montgomery was required to have Jonathan Cohen strictly supervise Blankenship's activities and to report any changes in supervision to the Office in writing within fifteen calendar days of the change, however, on or about August 29, 2006 Jonathan Cohen terminated his registration with Janney Montgomery and Thomas Urban became Blankenship's new supervisor. Janney Montgomery failed to notify the Office that Blankenship's supervisor had changed.

9. Respondent admits that it is under the jurisdiction of the Office and as such is subject to the Office's authority and jurisdiction to initiate and maintain an administrative proceeding against it pursuant to Chapter 517, Florida Statutes.

10. Respondent consents to the issuance by the Office of a Final Order which incorporates the terms of this Stipulation and Consent Agreement, in the form attached hereto as Exhibit A.

11. The Final Order incorporating this Stipulation and Consent Agreement is issued under Chapter 517, Florida Statutes, and upon its issuance shall be a final administrative order.

12. The Final Order is effective upon its issuance by the Office. It is fully enforceable by the Office under the provisions of Chapters 517 and 120, Florida Statutes.

13. Respondent hereby stipulates and agrees to the following terms in consideration of the Office's forbearance from initiating administrative action:

A.) Respondent agrees to immediately cease and desist from any and all violations of Chapter 517, Florida Statutes, and the rules duly promulgated thereunder, and shall henceforth strictly comply with all provisions of the laws and rules as such laws and rules exist now and as they may be amended.

B.) Janney Montgomery agrees to pay to the Office at the time of execution and delivery of this Stipulation and Consent Agreement an administrative fine of \$10,000.00 by cashiers check made payable to "Department of Financial Services" and mailed to 3111 South Dixie Highway, Suite 302, West Palm Beach, FL 33405, Attention Diane Leeds, AGC. Failure to pay this fine will constitute a breach of this Stipulation and Consent Agreement. Respondent agrees that: (1) in accordance with Section 215.31, Florida Statutes regarding the deposit of monies that the tendered fine or settlement check proceeds may be deposited in advance of full execution or acceptance of the proposed settlement agreement; and (2) such deposit shall not be construed as a final acceptance of the Stipulation absent full execution thereof and entry of the Final Order adopting same.

C.) As Janney Montgomery is primarily responsible for Blankenship, Kennerson, and McAleer's violations of their registration agreements in that Janney Montgomery replaced branch managers and/or moved branch offices where these associated persons were located and failed to notify the Office, the Office agrees to release Blankenship, Kennerson, and McAleer from the requirement of having a registration agreement and the existing agreements are heretofore null and void.

14. Respondent knowingly and voluntarily agrees to waive any right to: (1) receipt of administrative charges or complaint and a notice of rights pursuant to Chapter 120, Florida Statutes; (2) an administrative hearing; (3) any requirement that the Office's Final Order contain separately stated findings of fact and conclusions of law or a notice of rights; (4) issuance of a recommended order by an administrative law judge from the Division of Administrative Hearings or by a hearing officer from the Office; (5) object to or challenge in any judicial proceeding, including but not limited to an appeal pursuant to Section 120.68, Florida Statutes, any aspect, provision or requirement concerning the content, issuance, procedure or timeliness of the Office's Final Order; (6) contest the finality of the Final Order; (7) contest the validity of any term, condition, obligation or duty created hereby.

15. Respondent acknowledges, concurs, and stipulates that its failure to comply with any of the terms, obligations and conditions of this Stipulation and Consent Agreement and the Final Order adopting it, shall result in Respondent being deemed to be in violation of a written agreement and Final Order issued pursuant to the provisions of Chapters 120 and 517, Florida Statutes.

16. Upon full execution of this Agreement, Respondent waives and releases the Office and its agents, representatives, attorneys and employees from any and all causes of action they may have arising from or relating to the subject matter hereof. The Office agrees to accept this release on behalf of itself, its agents, representatives and employees without acknowledging and expressly denying that any such cause or causes of action may exist.

17. Each party herein shall be solely responsible for its attorneys' fees and costs incurred up to and including entry of the Final Order in this matter.

18. The Office and Respondent agree that if any provision of this Stipulation and Consent Agreement and Final Order adopting same, or the application thereof, is held invalid, the invalidity shall not affect the other provisions or applications of this Stipulation and Consent Agreement and Final Order which can be given effect without the invalid provisions or application, and to this end the provisions of this Stipulation and Consent Agreement, and Final Order are declared severable.

19. Execution of the Stipulation and Consent Agreement by the Office shall not be construed as final acceptance of its terms and conditions absent entry of a Final Order by the Commissioner adopting same.

WHEREFORE, the undersigned parties hereby acknowledge and agree to the terms and conditions of the foregoing Stipulation and Consent Agreement, subject to final approval by the Commissioner, by written consent on the last date executed below.

OFFICE OF FINANCIAL REGULATION

By: Franklin L. Widmann
FRANKLIN L. WIDMANN,
Director, Division of Securities

April 19, 2011
DATE

JANNEY MONTGOMERY SCOTT LLC

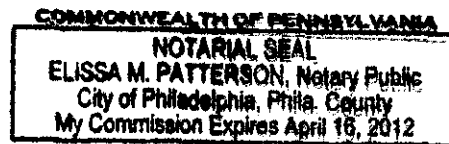
By: JM
JOHN M. IVAN, GENERAL COUNSEL

3/25/2011
DATE

State of Pennsylvania
County of Philadelphia

Before me, the undersigned notary public, personally appeared John M. Ivan, General Counsel, upon being duly sworn, states that he has read and understands the foregoing Stipulation and Consent Agreement and has voluntarily signed same. Sworn to and subscribed before me this 25 day of March, 2011.

Elissa M. Patterson
Notary Public



My Commission expires: April 16, 2012

Personally known or produced identification.

Type of identification produced: _____

**STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION**

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2. The parties shall comply with the terms and conditions of the incorporated Agreement.

DONE AND ORDERED this _____ day of _____, 2011, in Tallahassee, Leon County, Florida.

J. THOMAS CARDWELL, Commissioner
Office of Financial Regulation

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Josephine Schultz, Chief Counsel
Fla. Bar #0722650
Diane Leeds, Asst. General Counsel
Fla. Bar #232009
Office of Financial Regulation
3111 So. Dixie Hwy., Suite 302
West Palm Beach, FL 33405
(561) 837-5264

Copies furnished to:

Diane E. Leeds, Asst. General Counsel, West Palm Beach
William Reilly, Bureau Chief, Tallahassee