

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: JANNEY MONTGOMERY)
SCOTT LLC.)
_____)

FILE NO. 0300927

CONSENT ORDER OF CENSURE

TO THE RESPONDENT: Janney Montgomery Scott LLC
(BD #: 463)
1801 Market Street
Philadelphia, Pennsylvania 19103-1675
Attn: Howard B. Scherer General Counsel

WHEREAS, Respondent on the 13th day of August 2004 executed a certain Stipulation To Enter Consent Order Of Censure ("Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated May 7, 2004 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Censure ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, while neither admitting nor denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That at all relevant times, the Respondent was registered with the Secretary of State as a dealer in the State of Illinois pursuant to Section 8 of the Act.
2. That Albert Copperstone is a natural person and during all times relevant was employed by the Respondent to offer and sell securities to the general public.

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3. That Thomas Lagana is a natural person and during all times relevant was employed by the Respondent to offer and sell securities to the general public.
4. That both Copperstone and Lagana were registered with the Secretary of State as salespeople in the State of Illinois pursuant to Section 8 of the Act until December 31, 2001.
5. That between January 1, 2002 and October 8, 2003, 360 trades were effected by Copperstone with Illinois clients. The gross commissions for these transactions were \$65,156.
6. That between January 1, 2002 and October 17, 2003 9 trades were effected by Lagana with Illinois Clients. The gross commissions for these transactions were \$690.00.
7. That during all times relevant, Copperstone and Lagana were not registered with the Secretary of State as salespersons in the State of Illinois pursuant to Section 8 of the Act.
8. That Section 8.E(1)(e)(ii) of the Act provides, inter alia, that the registration of a dealer may be revoked if the Secretary of State finds that such dealer has offered or sold securities in this State through a salesperson other than a registered salesperson.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's registration as a dealer in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(e)(ii) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that:

1. It shall be censured;
2. It shall pay the sum of Five Thousand dollars (\$5,000.00) to the Office of the Secretary of State, Investors Education Fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashiers check and made to the order of the Office of the Secretary of State, Investors Education Fund and shall be due within thirty (30) days from the entry of this Consent Order; and
3. It has implemented the following procedures so as to avoid a reoccurrence of the conduct hereinabove described: "Every quarter we now conduct a

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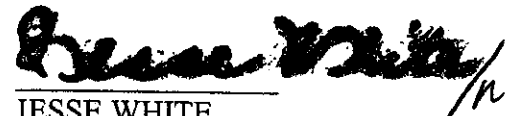
reconciliation of the registration status of our Financial Consultants as evidenced on the CRD registration data versus the registration data contained in the Firm's back office system to ensure there are no discrepancies between the systems.”

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED:

1. That Janney Montgomery Scott LLC. shall be censured.
2. That Janney Montgomery Scott LLC. shall pay the sum of Five Thousand dollars (\$5,000.00) to the Office of the Secretary of State, Investors Education Fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashiers check and made to the order of the Office of the Secretary of State, Investors Education Fund and shall be due within thirty (30) days from the entry of this Consent Order.
3. That Janney Montgomery Scott LLC. Has implemented the following procedures so as to avoid a reoccurrence of the conduct hereinabove described: “Every quarter we now conduct a reconciliation of the registration status of our Financial Consultants as evidenced on the CRD registration data versus the registration data contained in the Firm's back office system to ensure there are no discrepancies between the systems.”
4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 16th day August of 2004.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.1) of the Illinois Securities Law of 1953 [815 ILCS 5] (the Act). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.