

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF SECURITIES
233 RICHMOND STREET, SUITE 232
PROVIDENCE, RI 02903-4232

IN THE MATTER OF

JANNEY MONTGOMERY SCOTT LLC

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CONSENT AGREEMENT

I.

The Securities Division ("Division") of the Rhode Island Department of Business Regulation ("Department") enters into this Consent Agreement ("Agreement") to resolve concerns that Section 203 of the Rhode Island Uniform Securities Act of 1990 ("RIUSA"), Section 7-11-101 et seq. of the Rhode Island General Laws, 1989, as amended may have been violated by Janney Montgomery Scott LLC ("JMS"). The Division has determined to resolve this matter, after investigation but without instituting administrative proceedings, by entering into this Agreement.

II.

It is hereby agreed by and between the Division and JMS that:

1. JMS, a Delaware limited liability company organized on August 27, 1999, is an investment adviser with a principal place of business at 1801 Market Street, Philadelphia, Pennsylvania. It maintains One Turks Head Place, Suite 700, Providence, as a branch office in Rhode Island.

2. At all times relevant to this Agreement, it has been unlawful for a investment adviser to employ an individual as a investment adviser representative in Rhode Island without being licensed or exempt from licensing under RIUSA.

3. It is the position of the Division that from January 1, 2002 through the present, JMS employed one individual as an investment adviser representative who transacted business in this state by servicing one Rhode Island account in January 2006, without effective licensing or entitlement to an exemption from licensing requirements, in violation of Section 203 of RIUSA.

4. In or about August 2002 JMS entered into a Consent Agreement (“Agreement”) with the Division for unlicensed activity by four of it’s investment adviser representatives. JMS is, therefore, in violation of said Agreement.

5. JMS has represented to the Division that it’s lack of licensing was caused by an administrative error.

III

Based on the foregoing, the Division finds that the following is in the public interest, appropriate for the protection of investors and consistent with the purposes intended by the policy and provisions of RIUSA.

Accordingly, it is hereby further agreed that:

1. JMS shall immediately undertake to comply fully with Section 203 of RIUSA and the rules promulgated thereunder;

2. JMS shall immediately take steps to enhance it’s supervisory system to ensure compliance with RIUSA licensing requirements and shall submit to the Division

within thirty (30) days a report of it's revised procedures.

3. Within thirty (30) days of the date of this Agreement, JMS shall offer rescission to the Rhode Island customer plus the state rate of interest (12%) with whom the unlicensed investment adviser representative transacted business;

4. Within sixty (60) days of the date of this Agreement, JMS shall provide the Division with written results of the rescission offer;

5. JMS shall, upon signing this Agreement, pay a civil penalty in the amount of ten thousand dollars (\$10,000.00) to the Department and back fees in the amount two hundred-fifty dollars (\$250.00) for the five previous unlicensed years for a total of ten thousand two hundred-fifty dollars (\$10,250.00); and

6. Within one week of execution of this Agreement, JMS shall submit an application for it's investment adviser representative through the Investment Adviser Registration Depository (IARD) for the Division's review and approval. Said registration will expire, as they shall on such date every year, on December 31 of this year;

7. The request for Waiver of the Examination Requirement of Rule 207(a)-1.1 shall be approved upon execution of this Agreement.

8. Additional violations of Section 203 of RIUSA may be grounds for significant and substantial penalties such as revocation or suspension, administrative penalties up to ten thousand dollars (\$10,000.00) per violation and the imposition of criminal and civil sanctions.

Dated as of the 21st day of December, 2006.

Maria L. D'Alessandro
Maria L. D'Alessandro, Associate Director
and Superintendent of Securities

Janney Montgomery Scott LLC

By: JOHN M. IVAN

Its: SENIOR VICE PRESIDENT

On this 4th day of December, 2006 appeared before me
JOHN M. IVAN who executed the foregoing Consent Agreement and who
duly acknowledged to me that he was authorized to do so.

Florence G. Fante
NOTARY PUBLIC
My Commission Expires January 24, 2009

