

JUN 25 2015

**BEFORE THE INVESTOR PROTECTION DIRECTOR  
OF THE STATE OF DELAWARE**

In the Matter of:

JANNEY MONTGOMERY  
SCOTT LLC,

Respondent.

IPU Case No. 11-2-4 (A)

**ADMINISTRATIVE  
CONSENT ORDER**

WHEREAS, Janney Montgomery Scott LLC (“Janney”) is a broker-dealer registered in Delaware, with Central Registration Depository No. 463, and an investment adviser registered with the Securities and Exchange Commission and doing business in Delaware as a federal covered adviser; and

WHEREAS, the Investor Protection Unit of the Delaware Department of Justice (“Unit”) has conducted an investigation of Janney in connection with the activities of Gabriel Block (“Mr. Block”), a broker-dealer agent and investment adviser representative previously employed by Janney, relating to a former client of Mr. Block, a quadriplegic Delawarean (“Victim”); and

WHEREAS, Janney has cooperated with the Unit by responding to inquiries, providing testimony, documentary evidence, and other materials; and

WHEREAS, Janney has agreed to resolve the Unit’s investigation pursuant to the terms specified in this order (“Order”); and

WHEREAS, Janney elects to waive permanently any right to a hearing and appeal of this Order; and

WHEREAS, Janney admits the jurisdiction of the Unit in this matter; and

WHEREAS, Janney consents to the entry of this Order;

NOW, THEREFORE, the Investor Protection Director of the State of Delaware (“Director”), as administrator of the Delaware Securities Act, 6 DEL. C. § 73-101, *et seq.* (“Act”), finds the following relief appropriate and in the public interest, and hereby enters this Order:

1. This Order concludes the investigation of Janney by the Unit and any other action that the Unit could commence against Janney under applicable Delaware law regarding the activities of Mr. Block as they relate to Victim during the period from October 2007 through November 2008. Except as set forth in this paragraph, the Unit agrees to refrain from taking any further administrative action against Janney, or any current or former agent or employee of Janney other than Mr. Block, based solely on the aforementioned investigation, provided that Janney fully complies with the terms and conditions of this Order. Failure to comply with any term of this Order will be a basis for action by the Director. Nothing in this paragraph precludes the Unit from further investigating the facts underlying Mr. Block’s activities in this matter, including the seeking of facts, documents, or testimony from Janney, nor shall anything in this paragraph preclude the Unit from taking any action against Mr. Block. The Unit agrees to give Janney, upon at least 5 business days’ notice, the opportunity to review and comment upon language in any

press release which refers to the Unit's investigation of the activities of Mr. Block when he was employed as a broker-dealer agent and investment adviser representative by Janney.

2. Janney is hereby ordered to pay the sum of \$105,000.00 to the Unit within thirty (30) days of the date of this Order, such amount representing a fine of \$75,000.00 and payment of \$30,000.00 toward a portion of the costs incurred by the Unit in the investigation of this matter, with payment to be made by United States postal money order, certified check, bank cashier's check, or bank money order, and made payable to "Delaware Investor Protection Fund" and mailed to Investor Protection Unit, Delaware Department of Justice, 820 N. French Street, 5th Floor, Wilmington, DE 19801. The monies received by the Unit pursuant to this paragraph may be used by the Unit in accordance with Section 73-703 of the Act.

3. Janney is hereby ordered to refrain from committing any future violations of the Act.

4. Janney shall make its officers, directors, employees, agents, or representatives available to testify in person, without requiring service of a subpoena, in any administrative or judicial proceeding brought by the Unit, the Department of Justice, or another agency or instrumentality of the State of Delaware, relating to the Unit's investigation of Mr. Block.

5. This Order is not intended by the Unit to subject Janney to any disqualifications under the laws of the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands, or under the rules or regulations of any regulator or self-regulatory organization, including, without limitation, any disqualification from relying upon the state or federal registration exemptions or safe harbor provisions under Rule 506 of Regulation D, 17 C.F.R. § 230.501, *et seq.*

6. This Order shall be binding upon Janney and its successors, affiliates, and assigns as well as to successors and assigns of relevant affiliates with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

7. Janney waives any right or ability to seek judicial review with respect to the terms of this Order.

IT IS SO ORDERED, this 10<sup>th</sup> day of June, 2015.



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Owen P. Lefkon  
Investor Protection Director

**CONSENT TO ENTRY OF CONSENT ORDER**

Janney Montgomery Scott LLC (“Janney”) (i) admits the jurisdiction of the Investor Protection Unit in this matter; (ii) acknowledges it has been served a copy of this Order and has read it; (iii) agrees to entry of the Order as a settlement of the issues addressed in the Order; (iv) acknowledges it is aware of its right to a hearing and appeal in this matter under 6 DEL. C. §§ 73-304, 73-502, or 73-601, and waives this right; and (v) states that no promise of any kind or nature whatsoever that is not reflected in this Consent Order was made in order to induce it to enter into this Consent Order and that it enters into this Consent Order voluntarily.

The individual signing below on behalf of Janney represents that the individual has been duly authorized by Janney to agree to this Order and to execute this Consent to Entry of Consent Order for and on behalf of Janney.

JANNEY MONTGOMERY SCOTT LLC

\_\_\_\_\_  
Name:

Title:

Date:

JUN 25 2015

**CONSENT TO ENTRY OF CONSENT ORDER**

Janney Montgomery Scott LLC ("Janney") (i) admits the jurisdiction of the Investor Protection Unit in this matter; (ii) acknowledges it has been served a copy of this Order and has read it; (iii) agrees to entry of the Order as a settlement of the issues addressed in the Order; (iv) acknowledges it is aware of its right to a hearing and appeal in this matter under 6 DEL. C. §§ 73-304, 73-502, or 73-601, and waives this right; and (v) states that no promise of any kind or nature whatsoever that is not reflected in this Consent Order was made in order to induce it to enter into this Consent Order and that it enters into this Consent Order voluntarily.

The individual signing below on behalf of Janney represents that the individual has been duly authorized by Janney to agree to this Order and to execute this Consent to Entry of Consent Order for and on behalf of Janney.

JANNEY MONTGOMERY SCOTT LLC



Name: ALAN SMITH

Title: Vice President

Date: 6/20/15