

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

IN THE MATTER OF: :
 :
JANNEY MONTGOMERY SCOTT LLC, :
 : Investor Protection Case No. 20-0026
Respondent. :

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 (the “Unit”) has conducted an investigation of Janney in connection with the activities of Daniel David Tidwell (“Tidwell”), a broker-dealer agent and investment adviser representative employed by Janney, relating to, *inter alia*, its failure to supervise Tidwell and the suitability of certain activity by Tidwell; and

WHEREAS, Janney has cooperated with the Unit by responding to inquiries and producing documents; and

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

WHEREAS, Janney neither admits nor denies any wrongdoing on the part of Janney or any of its agents or former agents; 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.* (the “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 this investigation, including regarding the suitability of Tidwell’s trading and

Janney's supervision of Tidwell, from November 2017 through the date of this Order. Except as set forth in this paragraph, the Unit agrees to refrain from taking any further administrative action against Janney 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.

2. Janney is hereby ordered to pay a total of \$32,255.00 in restitution of certain commissions paid by the following three customers within thirty (30) days of this Order:
 - a. Customer A: \$20,862.
 - b. Customer B: \$10,618.
 - c. Customer C: \$775.
3. Janney is hereby ordered to pay the sum of \$40,000 to the Unit within thirty (30) days of this Order, such amount representing a fine for its failure to supervise Tidwell.
4. The total payment of \$72,255.00 to include restitution and the fine shall be sent to the Unit either by ACH, with payment instructions sent separately, or check made payable to the Delaware Investor Protection Fund and mailed to the Investor Protection Unit, Delaware Department of Justice, 820 N. French Street, 5th Floor, Wilmington, DE 19801, c/o Jillian Lazar. The Unit will distribute the restitution to the customers identified in paragraph 2.
5. Janney is hereby ordered to refrain from committing any future violations of the Act.
6. Janney agrees to take the following actions with respect to Tidwell's supervision:
 - a. Janney will place Tidwell on heightened supervision, requiring his compliance with its internal policies and procedures regarding heightened supervision, for a period of one year to commence within 30 days from the date of this Order; and
 - b. Janney will submit quarterly sworn attestations to the Unit confirming whether Tidwell has complied with the terms of his heightened supervision plan, with the first quarter ending three months after the commencement of the heightened supervision period, the second quarter ending six months after the commencement of the heightened supervision period, the third

quarter ending nine months after the commencement of the heightened supervision period, and the final quarter ending one year after the commencement of the heightened supervision period.

7. 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 and 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.*
8. 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.
9. Janney waives any right or ability to seek judicial review with respect to the terms of this Order.

IT IS SO ORDERED, this 2nd day of November, 2022.


Jillian Lazar
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) neither admits nor denies any wrongdoing on the part of Janney or any of its agents or former agents; (iii) acknowledges it has been served a copy of this Order and has read it; (iv) agrees to entry of the Order as a settlement of the issues addressed in the Order; (v) 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: W. Alan Smith
Title: Vice President, Deputy General Counsel
Date: November 1, 2022