

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9235 / July 11, 2011

Administrative Proceeding
File No. 3-14459

In the Matter of

Janney Montgomery Scott LLC

Respondent.

**ORDER UNDER RULE 602(e) OF THE
SECURITIES ACT OF 1933 GRANTING A
WAIVER OF THE RULE 602(c)(3)
DISQUALIFICATION PROVISION**

I.

Janney Montgomery Scott LLC (“Janney”) has submitted a letter, dated June 23, 2011, requesting a waiver of the Rule 602(c)(3) disqualification from the exemption from registration under Regulation E arising from Janney’s settlement of an administrative proceeding commenced by the Commission.

II.

On July 11, 2011, pursuant to Janney’s Offer of Settlement, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order against Janney. Under the Order, the Commission found that Janney failed to “establish, maintain and enforce written policies and procedures reasonably designed, taking into consideration the nature of such broker’s or dealer’s business, to prevent the misuse of material nonpublic information” in violation of Section 15(g) of the Securities Exchange Act of 1934 (“Exchange Act”). In the Order, the Commission ordered Janney to cease and desist from committing or causing any violations and any future violations of Section 15(g) of the Exchange Act, ordered Janney censured, ordered Janney to pay \$850,000 in civil penalties and comply with undertakings.

III.

Rule 602(c)(3) makes the Regulation E exemption unavailable for the securities of small business investment company issuers or business development company issuers if such issuer or any of its affiliates, among other things, is subject to an order of the Commission entered pursuant to Section 15(b) of the Securities Exchange Act of 1934. 17 C.F.R. § 230.602(c)(3). Rule 602(e) provides, however, that the disqualification “. . . shall not apply . . . if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemption from registration pursuant to Regulation E be denied.” 17 C.F.R. § 230.602(e).

IV.

Based upon the representations set forth in Janney’s request, the Commission has determined that pursuant to Rule 602(e) under the Securities Act a showing of good cause has been made that it is not necessary under the circumstances that the exemption be denied as a result of the Order.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver from the application of the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the entry of the Order is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary