

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

William E. Kossian

v.

03-01106

Denver, Colorado

Respondents

Janney Montgomery Scott, LLC and Jeffrey J. Britt

Nature of Dispute: Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

William E. Kossian ("Claimant") was represented by Martin M. Berliner, Esq., of Berliner McDonald, Greenwood Village, Colorado.

Janney Montgomery Scott, LLC ("JMS") and Jeffrey J. Britt ("Britt"), hereinafter referred to as ("Respondents"), were represented by Elizabeth Hoop Fay, Esq., of Morgan Lewis & Bockius LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

The Statement of Claim was filed on or about February 13, 2003. Submission Agreement of Claimant was signed on or about February 10, 2003.

A Joint Statement of Answer was filed by Respondents Janney Montgomery Scott, LLC and Jeffrey J. Britt on or about April 16, 2003. Submission Agreement of Respondent Janney Montgomery Scott, LLC was signed on or about March 13, 2003. Submission Agreement of Respondent Jeffrey J. Britt was signed on or about April 16, 2003.

CASE SUMMARY

Claimant asserted the following cause of action: suitability. The cause of action related to Claimant's allegations that he was overly concentrated in telecommunication and technology stocks. Claimant asserted that his account was not diversified and therefore unsuitable considering his age and financial circumstances. Claimant further alleged that because Respondents did not react to changes in the securities market by diversifying his portfolio and/or seek information as to his total financial situation, risk tolerance and his need for liquidity or income, he suffered heavy losses in his account.

Respondents denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: Claimant's Statement of Claim failed to state a claim upon which relief can be granted; Claimant approved, authorized and/or ratified every transaction in his account; Claimant's claims are barred under the doctrines of ratification, waiver and estoppel; Respondents made no material misrepresentations or omissions to Claimant regarding his account or the securities purchased in his account; Respondents acted in good faith with respect to the Claimant at all times; and any losses suffered by Claimant were caused by market forces or by Claimant's own lack of diligence or failure to mitigate, rather than by any conduct of the Respondents.

RELIEF REQUESTED

Claimant requested an award in the amount of \$450,000 in compensatory damages and any other relief the Panel deemed just and equitable.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Janney Montgomery Scott, LLC, is solely liable for and shall pay to Claimant, William E. Kossian, the sum of Seventy Thousand Dollars and No Cents (\$70,000.00) as compensatory damages;
2. Respondent, Janney Montgomery Scott, LLC, is solely liable for and shall pay to Claimant, William E. Kossian, interest on the above-stated sum at the Colorado statutory rate from and including the date of service of the Award, through and including the date this Award is paid in full;
3. Respondent, Janney Montgomery Scott, LLC, is solely liable for and shall pay to Claimant, William E. Kossian, Three Hundred Dollars and No Cents (\$300.00) in costs for Claimant's filing fees;

4. Claimant's claims, each and all, against Respondent Jeffrey J. Britt, are hereby denied and dismissed with prejudice; and
5. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, are denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 300

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is Janney Montgomery Scott, LLC.

Member surcharge	= \$ 1,700
Pre-hearing process fee	= \$ 750
Hearing process fee	= \$ 2,750

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$ 1,125 = \$ 1,125

Pre-hearing conference: 09/22/2003 1 session

Seven (7) Hearing sessions with Panel x \$ 1,125 = \$ 7,875

Hearing Dates:	02/18/2004	2 sessions
	02/19/2004	3 sessions
	02/20/2004	2 sessions

Total Forum Fees = \$ 9,000

The Arbitration Panel has assessed \$ 9,000 of the forum fees to Janney Montgomery Scott, LLC.

Fee Summary

Claimant, William E. Kossian, is liable for:

<u>Initial Filing Fee</u>	= \$ 300
<u>Total Fees</u>	= \$ 300
<u>Less payments</u>	= \$ 1,425
<u>Balance Refunded By NASD Dispute Resolution</u>	= \$ 1,125

Respondent, Janney Montgomery Scott, LLC, is liable for:

<u>Member Fees</u>	= \$ 5,200
<u>Forum Fees</u>	= \$ 9,000
<u>Total Fees</u>	= \$ 14,200
<u>Less payments</u>	= \$ 5,200
<u>Balance Due NASD Dispute Resolution</u>	= \$ 9,000

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code of Arbitration

ARBITRATION PANEL

Marilyn R. Lewis, Esq. - Public Arbitrator, Presiding Chair
Lillian S. Lehrburger, Esq. - Public Arbitrator
Jonathan H. Larson, Esq.- Non-Public Arbitrator

Concurring Arbitrators:

Marilyn R. Lewis, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Lillian S. Lehrburger, Esq.
Public Arbitrator

Signature Date

Jonathan H. Larson, Esq.
Non-Public Arbitrator

Signature Date

3/12/04
Date of Service (NASD use only)

ARBITRATION PANEL

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Lillian S. Lehrburger, Esq. - Public Arbitrator
Jonathan H. Larson, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Marilyn R. Lewis
Marilyn R. Lewis, Esq.
Public Arbitrator, Presiding Chair

March 11, 2009
Signature Date

Lillian S. Lehrburger, Esq.
Lillian S. Lehrburger, Esq.
Public Arbitrator

Signature Date

Jonathan H. Larson, Esq.
Jonathan H. Larson, Esq.
Non-Public Arbitrator

Signature Date

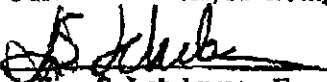
2/12/09
Date of Service (NASD use only)

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Lillian S. Lehrburger, Esq. - Public Arbitrator
Jonathan H. Larson, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Marilyn R. Lewis, Esq.
Public Arbitrator, Presiding Chair



Lillian S. Lehrburger, Esq.
Public Arbitrator

Jonathan H. Larson, Esq.
Non-Public Arbitrator

Signature Date

3-10-04

Signature Date

Signature Date

2/12/04

Date of Service (NASD use only)

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Public Arbitrator

Signature Date



Jonathan H. Larson, Esq.
Non-Public Arbitrator

3/10/2004

Signature Date

2/12/04

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