

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants
Jules B. and Elaine Jaspan

Case Number: 03-03950

Names of the Respondents
Janney Montgomery Scott, LLC
Russell R. Valante

Hearing Site: Philadelphia, PA

Nature of the Dispute: Customers vs. Member and Associated Person

REPRESENTATION OF PARTIES

Claimants, Jules B. and Elaine Jaspan, hereinafter collectively referred to as "Claimants", were represented by Michael B. Dubin, Esq., Smanoff, Ormsby, Greenberg & Torchia, LLC, Jenkintown, Pennsylvania.

Respondents, Janney Montgomery Scott, LLC ("Janney") and Russell R. Valante ("Valante"), hereinafter collectively referred to as "Respondents", were represented by Elizabeth Hoop Fay, Esq., Morgan Lewis & Bockius, LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on June 2, 2003.

Claimants signed the Uniform Submission Agreement on June 6, 2003.

Claimants Amended Statement of Claim filed on October 7, 2003.

Statement of Answer filed by Respondents on August 11, 2003.

Statement of Answer to the Amended Statement of Claim filed by Respondents on October 29, 2003.

A representative of Respondent Janney signed the Uniform Submission Agreement on August 7, 2003.

Respondent Valante signed the Uniform Submission Agreement on June 12, 2003.

Claimants Reply to Respondents' Affirmative Defenses filed on September 2, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; negligence; fraud; failure to supervise; recommending an Investment Advisor and a portfolio allocation that was unsuitable for Claimants; and, violating the Pennsylvania Unfair Trade Practices and Consumer Protection Law. The causes of action relate to the purchase and sale of preferred and common stocks, variable annuities and mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses among others: failure to state a claim; ratification, waiver and estoppel; failure to mitigate; and, contributory/comparative negligence.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$538,412.67, treble damages, interest, attorneys' fees, filing fees and costs of maintaining this action.

Respondents requested that Claimants' Statement of Claim be dismissed in its entirety and that all the expenses and forum fees be assessed against Claimants.

AWARD

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

1. Respondent Janney is liable to and shall pay to Claimants the sum of one hundred ten thousand dollars and no cents (\$110,000.00) in compensatory damages;
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Valante's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Valante must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
4. Any and all relief not specifically addressed herein, including treble damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$500.00

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. Accordingly, Janney is a party.

Member surcharge = \$2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$1,200.00 = \$1,200.00

Pre-hearing conference: January 15, 2004 1 session

Six (6) Hearing sessions @ \$1,200.00 = \$7,200.00

Hearing Dates: July 27, 2004 2 sessions

July 28, 2004 2 sessions

July 29, 2004 2 sessions

Total Forum Fees = \$8,400.00

1. The Panel has assessed \$4,200.00 of the forum fees to Claimants.

2. The Panel has assessed \$4,200.00 of the forum fees to Respondent Janney.

Fee Summary

1. Claimants are assessed and shall pay:

Initial Filing Fee = \$ 500.00

Forum Fees = \$ 4,200.00

Total Fees = \$ 4,700.00

Less payments = \$ 1,700.00

Balance Due NASD Dispute Resolution = \$ 3,000.00

2. Respondent Janney is assessed and shall pay:

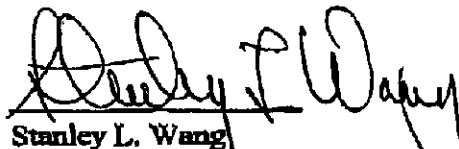
Member Fees	= \$ 8,550.00
Forum Fees	= \$ 4,200.00
Total Fees	= \$12,750.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 4,200.00

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

ARBITRATION PANEL

Stanley L. Wang	-	Public Arbitrator, Presiding Chairperson
Thomas E. Maloney	-	Public Arbitrator, Panelist
Frederick J. Arnold	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Stanley L. Wang
Public Arbitrator, Presiding Chairperson

Aug 23 2004
Signature Date

Thomas E. Maloney
Public Arbitrator, Panelist

Signature Date

Frederick J. Arnold
Non-Public Arbitrator, Panelist

Signature Date

August 23, 2004
Date of Service (For NASD Dispute Resolution office use only)

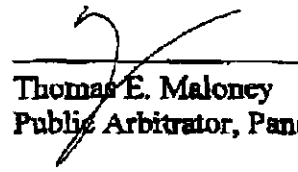
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Public Arbitrator, Presiding Chairperson

Signature Date



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Public Arbitrator, Panelist

19 AUG 04
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