Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 04-01758

Sydell Sandler
Sherry Zimand
Scott J. Coltune
Stacey Coltune
Quentin Sandler
Gail Reiss
Arthur Zimand
Gary Sandler
Rochelle Sandler
Sherry Coltune Maternal Trust
Sherry Coltune Paternal Trust
Scott Coltune 86-1 Irrevocable Trust
Stacey J. Coltune 1995-1 Irrevocable Trust
Stacey J. Coltune 86-1 Irrevocable Trust
Gail Sandler Reiss Mat Trust
Gail Sandler Reiss Pat Trust
Gail Reiss Revocable Living Trust
Sydell Sandler C/F Shawn Reiss
Sydell Sandler C/F Jamie Reiss
Sydell Sandler C/F Kristen Reiss
Gary Sandler & Rochelle Sandler, JTTEN
Rochelle Sandler, IRA
Gary Sandler, IRA
Gary Sandler Paternal Trust
Gary Sandler Maternal Trust
Gary Sandler C/F Dana Sandler
Gary Sandler C/F Amy Sandler

Name of the Respondent

Hearing Site: Boca Raton, Florida

Janney Montgomery Scott, LLC

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Sydell Sandler ("SS"), Sherry Zimand ("SZ"), Scott J. Coltune ("SJC"), Stacey Coltune ("SC"), Quentin Sandler ("QS"), Gail Reiss ("GR"), Arthur Zimand ("AZ"), Gary Sandler ("GS"), Rochelle Sandler ("RS"), Sherry Coltune Maternal Trust ("SCMT"), Sherry Coltune Paternal Trust ("SCPT"), Scott Coltune 86-1 Irrevocable Trust ("SC 86-1"), Stacey J. Coltune 1995-1 Irrevocable Trust ("SJC 1995"), Stacey J. Coltune 86-1

Irrevocable Trust ("SJC 86-1"), Gail Sandler Reiss Mat Trust ("GSRMT"), Gail Sandler Reiss Pat Trust ("GSRPT"),Gail Reiss Revocable Living Trust ("GRRLT"), Sydell Sandler C/F Shawn Reiss ("SSSR"), Sydell Sandler C/F Jamie Reiss ("SSJR"), Sydell Sandler C/F Kristen Reiss ("SSKR"), Gary Sandler & Rochelle Sandler, JTTEN ("GS&RS"), Rochelle Sandler, IRA ("RSI"), Gary Sandler, IRA ("GSI"), Gary Sandler Paternal Trust ("GSPT"), Gary Sandler Maternal Trust ("GSMT"),Gary Sandler C/F Dana Sandler ("GSDS") and Gary Sandler C/F Amy Sandler ("GSAS"), hereinafter collectively referred to as "Claimants" or the "Sandler Family": Darren C. Blum, Esq., Blum & Silver, LLP, Coral Springs, Florida.

For Janney Montgomery Scott, LLC, hereinafter referred to as "Respondent": Paula D. Shaffner, Esq. and John Bisordi, Esq., Saul Ewing, LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on or about: March 11, 2004.
Claimants SS, SSSR, SSJR, SSKR and QS signed the Uniform Submission Agreements: February 15, 2004.
Claimants GR, GSRMT, GSRPT and GRRLT signed the Uniform Submission Agreements: February 16, 2004.
Claimants SZ, SCMT, SCPT and AZ signed the Uniform Submission Agreements: February 18, 2004.
Claimants GS & RS, RSI, GSI, GSPT, GSMT, GSDS, GSAS, GS and RS signed the Uniform Submission Agreements: February 23, 2004.
Claimants SJC 1995, SJC 86-1 and SC signed the Uniform Submission Agreements: March 3, 2004.
Claimants SC 86-1 and SJC signed the Uniform Submission Agreements: March 7, 2004.
Statement of Answer filed by Respondent on or about: June 7, 2004.
Respondent signed the Uniform Submission Agreement: June 14, 2004.
Motion for Monetary Sanctions Against Claimants and Their Counsel filed by Respondent on or about: December 6, 2005.
Motion for Sanctions Against Respondent and its Counsel filed by Claimants on or about December 7, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: respondeat superior and vicarious liability; violation of industry rules, including but not limited to NYSE's "Know your customer" standard (Rule 405) and NASD's customer suitability standard (Rule 2310); breach of fiduciary duty; and, common law fraud. The causes of action relate to Claimants' investments in various common stock and bonds, including but not limited to, the following: Cree Inc., SI Corp., FirstPlus; Presstek; Genus Inc; Zoltech; Terayon Communication; WorldCom; 3Com; Priceline.com; High Yield Plus Fund; and, Putnam Managed High Yield Trust.

Unless specifically admitted in its Answer, Respondent denied the allegations in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested an unspecified amount of compensatory damages, plus interest at the legal rate from the date of purchase or reasonable market return, rescission, punitive damages, costs and for such other relief as is just and proper.

Respondent requested that the Statement of Claim be dismissed in its entirety and that costs of this proceeding, including attorneys' fees, be assessed against Claimants. Additionally, as asserted in its Motion for Sanctions, Respondent requested that the Panel award monetary sanctions in the form of reasonable attorneys' fees and punitive damages in an amount the Panel decides is appropriate for Claimants and their counsel's alleged misconduct.

OTHER ISSUES CONSIDERED AND DECIDED

On or about November 15, 2005, Claimants filed with NASD a notice dismissing, with prejudice, the claims relating to the following accounts:

7264-1389 Sydell Sandler; 7263-9262 Quentin Sandler; 7264-1387 Sydell Sandler and Quentin Sandler JTTEN; 7264-1362 Sydell Sandler and Gail Reiss Jt Ten; 7263-9306 Quentin H. Sandler 1995-2 Fam Irrev Tr ; 7263-9439 Rochelle Sandler IRA; 7263-4762 Gary Sandler IRA; 7264-1150 Steven Sandler Roth IRA; 7264-1237 Steven Sandler; 7263-9528 Rochelle Sandler C/F Steven Sandler; 7263-4767 Gary Sandler C/F Steven Sandler; 7263- 9483 Rochelle Sandler C/F Amy Sandler; 7263-9394 Rochelle Sandler C/F Matthew Sandler; 6921-4431 Gail Reiss; 6921-4469 Gail Reiss C/F Jamie Reiss; 6921-4450 Gail Reiss C/F Shawn Reiss; 6921-4459 Gail Reiss C/F Kristen Reiss; 7878-0049 Stacey Coltune 86-1 Irrev Tru; 2306-2262 Scott J. Coltune 86-1 Irrev Tr; 8953-1851 Sherry Zimand; and, 8953-1623 Arthur Zimand.

Respondent filed a Motion for Sanctions in which it asserted that Claimants' counsel intentionally and deliberately took steps to interfere with a pending motion and influence the outcome of the motion. The Panel denied Respondent's Motion for Sanctions.

Claimants filed a Motion for Sanctions in which it asserted that Respondent was in violation of the Panel's order of December 10, 2004, which directed Respondent to produce various documents. The Panel denied Claimant's Motion for Sanctions.

At the closing of the evidentiary hearing on December 9, 2005, the parties jointly requested a postponement of the evidentiary hearings scheduled for January 9-13, 2006. The Panel granted the parties' request.

Claimant Sydell Sandler did not appear for the final week of the evidentiary hearings because she was hospitalized and allegedly incoherent with a guarded prognosis. Pursuant to this, the Respondent requested a postponement, which was denied by the Panel.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

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

Respondent is found liable for failure to supervise, inappropriate concentration of investments, breach of contract and breach of fiduciary duty and shall pay to Claimants (the "Sandler Family") compensatory damages in the amount of $3,267,000.00, plus interest at the rate of 5% per annum from May 12, 2006 until the date of payment of the award.

Respondent is found liable and shall reimburse Claimants the claim filing fee previously paid by Claimants to NASD Dispute Resolution in the amount of $250.00.

Any and all claims for relief not specifically addressed herein, including the parties' requests for punitive damages and Respondent's request for attorneys' fees, are 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	= $ 250.00

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

Member surcharge	= $1,500.00
Pre-hearing process fee	= $ 750.00
Hearing process fee	= $2,200.00

Adjournment Fees
Adjournments granted during these proceedings for which fees were assessed:

December 5-6, 2005, adjournment requested by Respondent	=$1,000.00
January 9-13, 2006, joint adjournment request	=$1,000.00

The Panel assessed $500.00 of the adjournment fees jointly and severally to Claimants.
The Panel assessed $500.00 of the adjournment fees to Respondent.
The Panel waived $1,000.00 of the adjournment fees.

Three-Day Cancellation Fees
Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

December 5 – 6, 2005 postponement requested on December 2, 2005	=$ 200.00

The Panel assessed $100.00 of the three-day cancellation fees jointly and severally to Claimants.
The Panel assessed $100.00 of the three-day cancellation fees to Respondent.

Injunctive Relief Fees
Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments
The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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) Decision on a discovery-related motion on the papers with a single arbitrator @ $200.00	= $ 200.00
One (1) Pre-hearing session with a single arbitrator @ $450.00/session Pre-hearing conference: June 2, 2005 1 session	= $ 450.00
One (1) Pre-hearing session with the Panel @ $1,000.00/session Pre-hearing conference: November 22, 2004 1 session	= $ 1,000.00

Eighteen (18) Hearing sessions @ $1,000.00/session			=$ 18,000.00
Hearing Dates:	December 7, 2005	2 sessions	
	December 8, 2005	2 sessions	
	December 9, 2005	2 sessions	
	May 1, 2006	2 sessions	
	May 2, 2006	2 sessions	
	May 8, 2006	2 sessions	
	May 9, 2006	2 sessions	
	May 10, 2006	2 sessions	
	May 11, 2006	2 sessions	
Total Forum Fees			=$ 19,650.00

The Panel has assessed the total forum fees amount of $19,650.00 to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to: additional copies of arbitrator awards; copies of audio transcripts; retrieval of documents from archives; interpreters; and, security.

No administrative costs were incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= $ 250.00
Adjournment Fee	= $ 500.00
Three-day Cancellation Fee	= $ 100.00
Total Fees	= $ 850.00
Less payments	= $ 850.00
Balance Due NASD Dispute Resolution	= $ 0.00

Respondent Janney Montgomery Scott, LLC is solely liable for:

Member Fees	= $ 4,450.00
Adjournment Fee	= $ 500.00
Three-day Cancellation Fee	= $ 100.00
Forum Fees	= $ 19,650.00
Total Fees	= $ 24,700.00
Less payments	= $ 4,450.00
Balance Due NASD Dispute Resolution	= $ 20,250.00

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

ARBITRATION PANEL

Robert J. Saex.	-	*Public Arbitrator, Presiding Chairperson*
William Wolfe	-	*Public Arbitrator*
Bernard Hornick	-	*Non-Public Arbitrator*

Concurring Arbitrators' Signatures

/s/ 05/15/06
Robert J. Saex — Signature Date
Public Arbitrator, Presiding Chairperson

/s/ 05/15/06
William Wolfe — Signature Date
Public Arbitrator

/s/ 05/15/06
Bernard Hornick — Signature Date
Non-Public Arbitrator

05/15/06
Date of Service (For NASD Dispute Resolution office use only)

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William Wolfe	-	*Public Arbitrator*
Bernard Hornick	-	*Non-Public Arbitrator*

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Public Arbitrator, Presiding Chairperson

5/15/06
Signature Date

William Wolfe
Public Arbitrator

Signature Date

Bernard Hornick
Non-Public Arbitrator

Signature Date

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Robert J. Saex
Public Arbitrator, Presiding Chairperson

Signature Date

William Wolfe
Public Arbitrator

Signature Date 5-15-06

Bernard Hornick
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

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ARBITRATION PANEL

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William Wolfe - *Public Arbitrator*
Bernard Hornick - *Non-Public Arbitrator*

Concurring Arbitrators' Signatures

Robert J. Saex
Public Arbitrator, Presiding Chairperson

Signature Date

William Wolfe
Public Arbitrator

Signature Date

Bernard Hornick
Non-Public Arbitrator

5/16/06
Signature Date

Date of Service (For NASD Dispute Resolution office use only)