

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: THOMAS F. LAGANA)

FILE NO. 0300926

NOTICE OF HEARING

TO THE RESPONDENT: Thomas F. Lagana
(CRD #: 838523)
32 Fairway Lane
Sugarloaf, Pennsylvania 18249

c/o Janney Montgomery Scott LLC
1801 Market Street
Philadelphia, Pennsylvania 19102-1675

You are hereby notified that, pursuant to Section 11.F of the Illinois Securities Law of 1953 (815 ILCS 5 et. seq.) (the "Act") and 14 Ill. Adm. Code 130, Subpart K (the "Rules"), a public hearing is scheduled to be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 12th day of May 2004, at 10:00 a.m., or as soon thereafter as counsel may be heard, before Soula J. Spyropoulos, Esq., or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking or suspending Thomas F. Lagana's (the "Respondent") registration as a salesperson in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That the Respondent was registered with the Secretary of State as a salesperson employed by Janney Montgomery Scott LLC (hereinafter "JMS") in the State of Illinois pursuant to Section 8 of the Act from April 24, 1997 until December 31, 2001 and from October 17, 2003 to the present.

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2. That between June, 2002 and July, 2003 the Respondent effected a total of nine (9) transactions in two Illinois customer's accounts.
3. That Section 8.A of the Act provides, in pertinent part, except as otherwise provided, every salesperson shall be registered as such with the Secretary of State.
4. That the activity described in paragraph two (2) above constitutes the activity of a salesperson as defined in Section 2.9 of the Act.
5. That during all relevant times, the Respondent was not registered with the Secretary of State as a salesperson pursuant to Section 8 of the Act.
6. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of the Act
7. That Section 12.C of the Act provides, *inter alia*, that it is a violation of the provisions of the Act for any person to act as a salesperson, unless registered as such where such registration is required under the provisions of the Act.
8. That by virtue of the foregoing, the Respondent has committed a violation of Sections 12.A and 12.C of the Act.
9. That Section 8.E(1)(g) of the Act provides that the registration of a salesperson may be revoked or suspended if he has violated any of the provisions of this Act.
10. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation or suspension pursuant to Section 8.E(1) (g) of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

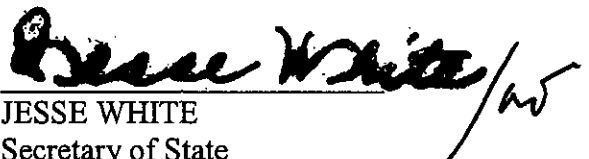
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A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is include with this Notice.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 9th day of March 2004.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Daniel Tunick
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Illinois Securities Department
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(312) 793-3384

Hearing Officer:

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