

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006003777301

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REGISTRATION & DISCLOSURE

TO: Department of Enforcement
NASD

RE: Boenning & Scattergood, Inc.
Member
CRD No. 100

Thomas J. Chancellor
General Securities Principal
CRD No. 44417

James Still
General Securities Representative
CRD No. 5083890

Pursuant to Rule 9216 of the NASD Code of Procedure, Boenning & Scattergood, Inc. ("BSI"), Thomas J. Chancellor ("Chancellor") and James Still ("Still") submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against us alleging violations based on the same factual findings.

BSI, Chancellor and Still understand that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Enforcement, National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against them; and
3. If accepted:
 - a. this AWC will become part of their permanent disciplinary records and may be considered in any future actions brought by the NASD or any other regulator against them;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about their disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and

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the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and

- d. they may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects the firm's, Chancler's and/or Still's testimonial obligations or right to take legal or factual positions in litigation in which the NASD is not a party.

BSI, Chancler and Still also understand that their respective experience in the securities industry and disciplinary history may be factors which will be considered in deciding whether to accept this AWC. That experience and history are as follows:

BSI has been an NASD member since October 1970. It maintains its principal office in Conshohocken, Pennsylvania and it has three branch offices. It conducts a general securities business on a fully disclosed basis. BSI has no relevant NASD disciplinary history in the past five years.

Chancler first became registered with NASD in about 1967. He is currently registered with NASD as a General Securities Principal and in several other principal and non-principal capacities. He has been associated with BSI since about April 1990. Chancler has no relevant NASD disciplinary history.

Still first became registered with NASD in June 2006 as a General Securities Representative of BSI. He has been associated with BSI since about October 2004. Still has no NASD disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

BSI, Chancler and Still specifically and voluntarily waive the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against them;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, BSI, Chancellor and Still specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

BSI, Chancellor and Still further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

II.

ACCEPTANCE AND CONSENT

A. BSI, Chancellor and Still hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by NASD:

1. In about October 2004, Still joined BSI's Investment Banking Department. Still had never previously been registered with NASD. His position at BSI required that he be registered as a representative under NASD Membership and Registration Rule 1031 (Rule 1031). From October 2004 to about September 6, 2005, Still engaged in BSI's investment banking and securities business without becoming registered as a representative in accordance with Rule 1031. During that period, BSI, acting through Chancellor, permitted Still to engage in the firm's investment banking and securities business without being registered as a representative.

On about September 6, 2005, BSI appointed Still to be the head of its Investment Banking Department. The position necessitated registration as a General Securities Principal under NASD Membership and Registration Rule 1021 (Rule 1021). From about September 6, 2005 to about May 4, 2006, Still served as the head of BSI's Investment Banking Department without being registered with NASD in any capacity. During that period, BSI, acting through Chancellor, permitted Still to occupy the position of head of BSI's Investment Banking Department and engage in conduct that required registration as a General Securities Principal even though Still was not registered with NASD in any capacity.

Based on the foregoing, BSI, Chancellor and Still violated NASD Membership and Registration Rules 1021 and 1031 and NASD Conduct Rule 2110.

2. Based upon a review of certain corporate bond transactions that BSI effected from July 2005 to September 2005, BSI failed to report timely 64 transactions in TRACE eligible securities in accordance with NASD Systems and Programs Rule 6230.

Based on the foregoing, BSI violated NASD Systems and Programs Rule 6230 and Conduct Rule 2110.

- B. BSI, Chancellor and Still also consent to the imposition, at a maximum, of the following sanctions:

BSI and Chancellor are censured and fined \$15,000 jointly and severally, and the firm is separately fined an additional \$5,000.

Still is censured and fined \$10,000.

The sanctions imposed herein shall be effective on a date set by NASD staff.

III.

OTHER MATTERS

- A. BSI, Chancellor and Still understand that they may attach, jointly or separately, a Corrective Action Statement to this AWC, which is a statement of demonstrable corrective steps taken to prevent future misconduct. BSI, Chancellor and Still further understand that they may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD or its staff.
- B. BSI, Chancellor and Still agree to pay any monetary sanctions imposed on them upon notice that this AWC has been accepted and that such payments are due and payable and have attached an Election of Payment form showing the method by which they propose to pay any fine imposed.
- C. BSI, Chancellor and Still specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

BSI, Chancellor and Still certify that they have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce them to submit it.

Boenning & Scattergood, Inc.

Date

By: _____
John J. Chuff, Chief Operating Officer

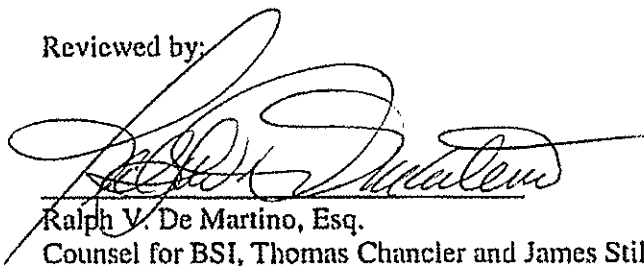
Date

Thomas J. Chancellor

Date

James Still

Reviewed by:


Ralph V. De Martino, Esq.
Counsel for BSI, Thomas Chancellor and James Still

Accepted by NASD:

June 20, 2007
Date

Signed on behalf of the
Director of ODA, by delegated authority

Thomas M. Huber, Regional Counsel
NASD Department of Enforcement
1835 Market Street, Suite 1900
Philadelphia, PA 19103
(215) 963-1990

NASD District Director
Robert B. Kaplan
NASD, District 9A
1835 Market Street, Suite 1900
Philadelphia, PA 19103
(215) 665-1180

Boenning & Scattergood, Inc.

4/25/07
Date

By: [Signature]
John J. Chuff, Chief Operating Officer

4/25/07
Date

[Signature]
Thomas J. Chancellor

04/25/07
Date

[Signature]
James Still

Reviewed by:

Ralph V. De Martino, Esq.
Counsel for BSI, Thomas Chancellor and James Still

Accepted by NASD:

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