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REGISTRATION & DISCLOSURE

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20060048175-01

To: Department of Enforcement
NASD

Re: James M. Sanigular
General Securities Representative
CRD No. 1932434

Pursuant to Rule 9216 of NASD Code of Procedure, I, James M. Sanigular, 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 me alleging violations based on the same factual findings.

I 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 and National Adjudicatory Council (NAC) Review Subcommittee or Office of Disciplinary Affairs (ODA), 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 me; and
3. If accepted:
 - a. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against me;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about my disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. I 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 my testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

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I also understand that my experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

I entered the securities industry in July 1985, when I associated with an NASD member. From June 2, 2003, through March 16, 2006, I was associated with NASD member Van Clemens & Co. Incorporated (Van Clemens) and registered with NASD as a general securities representative. From June 22, 2001, through May 30, 2003, I was associated with NASD member The Oak Ridge Financial Services Group, Inc. (Oak Ridge) and registered with NASD as a general securities representative.

I am not currently associated with any NASD member or registered with NASD in any capacity. However, NASD retains jurisdiction over me pursuant to Article V, Section 4 of NASD By-Laws. I have not been the subject of prior formal disciplinary action by NASD.

I. WAIVER OF PROCEDURAL RIGHTS

I 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 me;
- 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, I 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.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of NASD Procedural Rule 9143 or the separation of functions prohibitions of NASD Procedural Rule 9144, in connection with such person's or body's participation in discussions regarding

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the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

II. ACCEPTANCE AND CONSENT

- A. I 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:

Outside Business Activities **NASD Conduct Rules 2110 and 3030**

1. On April, 29, 2005, Van Clemens entered into an Agency Agreement with First Products, Inc. (First Products). The Agency Agreement related to Van Clemens serving as a placement agent for a private placement of First Product stock.
2. On June 30, 2005, pursuant to a Termination of Agency Agreement, Van Clemens and First Products terminated the April 29, 2005 Agency Agreement. This Termination of Agency Agreement terminated the business relationship between Van Clemens and First Products, relating to the First Products private placement. Under the terms of the Termination of Agency Agreement, Van Clemens ceased soliciting the sale of, and selling, First Products stock. Van Clemens also renounced all right to any compensation relating to the private placement of First Product stock.
3. As of the date of the Termination of Agency Agreement between Van Clemens and First Products, approximately \$400,000 had been raised for the private placement.
4. At the time that Sanigular entered into the Placement Agency Agreement with First Products, he knew that his member firm, Van Clemens, had terminated its business relationship with First Products relating to the private placement. He also knew that he should not continue to solicit the sale of, and sell, First Products stock. Finally, Sanigular knew that Van Clemens, and by extension he, was not entitled to any compensation relating to the private placement of First Product stock.
5. On June 29, 2005, while he was still associated with Van Clemens, Sanigular entered into a Placement Agency Agreement with First Products. This Placement Agency Agreement permitted Sanigular to continue to solicit the sale of, and sell, First Products stock. Pursuant to this Placement Agency Agreement, Sanigular was entitled to a 5% commission for First Products shares he sold.

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6. On July 20, 2005, First Products paid Sanigular \$21,525. This payment was made while Sanigular was still associated with Van Clemens. This payment related to the approximately \$400,000 that had been raised for the private placement, as of June 30, 2005. The payment was also made so Sanigular would be able to continue to solicit the sale of, and sell, First Products stock.
7. Sanigular never gave Van Clemens notice, prompt or otherwise, that he had entered into the Placement Agency Agreement with First Products, dated June 29, 2005. Sanigular never gave Van Clemens notice, prompt or otherwise, that he had received the \$21,525 payment from First Products on July 20, 2005.
8. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 3030 and Conduct Rule 2110 on the part of Sanigular.

Willful Failure to Disclose On Form U-4
NASD Conduct Rule 2110 and IM-1000-1

9. Sanigular filed a voluntary petition for Chapter 13 bankruptcy on March 26, 1997. That matter was dismissed on December 13, 2000.
 10. Sanigular filed another voluntary petition for Chapter 13 bankruptcy on February 12, 2001. That matter was dismissed on May 25, 2005.
 11. Sanigular completed a Uniform Application for Securities Industry Registration or Transfer (Form U-4), to become associated with Oak Ridge, on May 3, 2001. Question 23K.(1) asked: "Within the past 10 years: (1) have you ... filed a bankruptcy petition ...?" Sanigular willfully checked the "no" box.
 12. Sanigular completed another Form U-4, in connection with his association with Oak Ridge, on September 10, 2001. Again, Question 23K.(1) asked: "Within the past 10 years: (1) have you ... filed a bankruptcy petition ...?" Again, Sanigular willfully checked the "no" box.
 13. Sanigular completed a Form U-4 to become associated with Van Clemens on June 2, 2003. Question 14.(1) asked: "Within the past 10 years: (1) have you ... filed a bankruptcy petition ...?" Sanigular willfully checked the "no" box.
 14. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and IM-1000-1 on the part of Sanigular.
- B. I also consent to the imposition, at a maximum, of the following sanctions:
1. a one-year suspension from association with any NASD member in any capacity; and

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2. a fine of \$27,500. The fine shall be due and payable either immediately upon reassociation with a member firm following the one-year suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

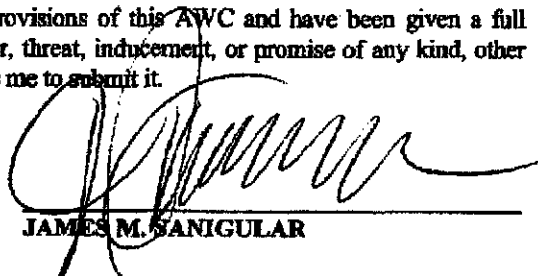
The sanctions imposed herein shall be effective on a date set by NASD staff.

III. OTHER MATTERS

- A. I understand that I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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. I agree to pay any monetary sanctions imposed on me upon reentry as noted above.
- C. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.
- D. I understand that this settlement includes a finding that on or about May 3, 2001, September 10, 2001 and June 2, 2003, I willfully failed to disclose material facts on each Form U-4, and that under Section 15(b)(4)(A) of the Securities Exchange Act of 1934 and Article III, Section 4(f) of the NASD By-Laws, this nondisclosure makes me subject to a statutory disqualification with respect to association with a member.

I certify that I 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 me to submit it.

Date: 7-9-07


JAMES M. SANIGULAR

Reviewed by:

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Counsel for Respondent Sanigular

Accepted by NASD:

Date

7-16-07

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


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NASD District Director

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