

NASD

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

John Francis Ranhofer
(CRD No. 2699789)

Respondent.

Disciplinary Proceeding
No. C02040033

Hearing Officer - SNB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: May 10, 2005

INTRODUCTION

Disciplinary Proceeding No. C02040033 was filed on August 18, 2004, by the Department of Enforcement of NASD ("Complainant"). Respondent John Francis Ranhofer ("Respondent") submitted an Offer of Settlement ("Offer") to Complainant on March 30, 2005. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of

findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Respondent John Francis Ranhofer first entered the securities industry in 1996. From October 1997 to March 21, 2003, Ranhofer was associated with Investors Capital Corp., a member of NASD. Ranhofer was registered with NASD as a Limited Representative – Investment Companies and Variable Contracts Products until March 21, 2003. Ranhofer is not currently associated with an NASD member and has not been the subject of prior disciplinary action by NASD, other self-regulatory organizations, the Securities and Exchange Commission, or any state regulator.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

During the approximate period from December 4, 1998, through July 30, 2000, Respondent John Francis Ranhofer participated in sales of securities, in the form of real estate investment agreements and promissory notes issued by TLC America, for a total amount of \$2,252,848.12, as set forth in Schedules A and B to the Complaint.

The transactions were outside the scope of Respondent Ranhofer's employment by ICC.

Ranhofer received compensation as a result of his participation in the sales.

Ranhofer did not provide prior written notification to or receive approval from ICC for these activities.

During the approximate period from August 10, 2000, through September 8, 2000, Respondent John Francis Ranhofer participated in sales of securities, in the form of membership interests in TLC Real Properties RLLP – 1 for total proceeds of \$302,865.51, as set forth in Schedule C to this Complaint.

The transactions were outside the scope of Respondent Ranhofer's employment by ICC.

Ranhofer received compensation as a result of his participation in the sales.

Ranhofer did not provide prior written notification to or receive approval from ICC for these activities.

In August and September 2000, Respondent John Francis Ranhofer accepted compensation of approximately \$18,287 in "membership recruiting fees" from TLC.

Ranhofer failed to provide prompt written notification of these activities to ICC.

On or about July 25, 2001, RE, receiver for TLC entities, filed a lawsuit in the United States District Court for the Central District of California, Southern Division naming Respondent John Francis Ranhofer as a defendant in connection with his activities on behalf of TLC entities.

During the period from July 25, 2001, to March 21, 2003, Respondent Ranhofer failed to amend his Form U-4 to disclose the lawsuit.

On or about September 6, 2002, M&MS filed a lawsuit in the Superior Court for the State of California, County of Los Angeles – Northwest Judicial District against Respondent John Francis Ranhofer in connection with their investment with TLC entities.

During the period from September 6, 2002, to March 21, 2003, Respondent Ranhofer failed to amend his Form U-4 to disclose the lawsuit.

Based on the foregoing, Respondent violated Rules 3040, 3030, 2110 and IM1000-1 and Article V, Section 2(c) of NASD's By-Laws.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

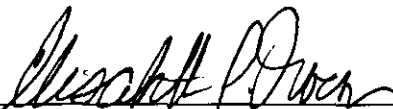
SANCTIONS

It is ordered that Respondent be barred from association with any member of NASD in any capacity.

Pursuant to IM-8310-2(f), the bar shall become effective upon approval or acceptance of this
Order by the NAC.

SO ORDERED.

NASD

By: 

Elisabeth P. Owens
Senior Vice President
West Region

on behalf of the Director of ODA, pursuant to
delegated authority