

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. C02050036

**TO: Department of Enforcement
NASD**

**RE: Jesse A. Cripps, Sr., Respondent
General Securities Representative
CRD No. 2988628**

Pursuant to Rule 9216 of NASD Code of Procedure, I 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 allegation 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.

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:

From December 10, 1999 to October 3, 2001, Jesse A. Cripps, Sr. ("Respondent") was associated with NASD member Lombard Securities Inc. ("LSI") as a General Securities Representative. Subsequently, Respondent was associated with another NASD member as a General Securities Representative. Respondent is not currently associated with an NASD member. NASD retains jurisdiction over Respondent pursuant to Article V, Section 4 of NASD's By-Laws. Respondent has not been the subject of prior disciplinary action by NASD, other self-regulatory organizations, the Securities and Exchange Commission, or any state regulator.

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 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. I hereby accept and consent, without admitting or denying the allegations or 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:

On or about November 10, 1999, while Respondent was associated with LSI, he received funds from public customer E.H. totaling \$15,000, which the customer intended to be used for the purchase of a certificate of deposit. Respondent did not use the funds as directed by customer E.H. and, instead, used them in a manner that did not benefit the customer.

By reason of the foregoing, Respondent violated NASD Conduct Rules 2110 and 2330(a).

- B. I also consent to the imposition, at a maximum, of the following sanctions:

A bar from associating with any NASD member, in any capacity.¹

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC.

III.

OTHER MATTERS

- A. I understand that if I am barred or suspended from associating with any NASD member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)

¹ Because Respondent made restitution to the customer, it is not being ordered herein.

Apr 21 2005 4:27PM DLC ESQ

3103760865

p.7

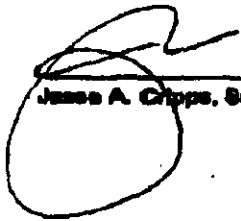
04/13/2005 10:18 FAX 213 617 1870

NASD

Q 007

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.

April 29, 2005
Date


Jesse A. Cripps, Sr.

Reviewed by:


David L. Costantino, Esq.
Owner for Respondent

Accepted by NASD:

5/2/05
Date


Carl M. San Wolkman, District Director
Signed on behalf of the Director of ODA,
by delegated authority

AWC01
Rev 03/14/05

4