

NASD
OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

JAMES B. L'ESPERANCE
Limited Registered Representative,
(CRD No. 4150205)

Respondent.

Disciplinary Proceeding

No. E8A2002124001

Hearing Officer David M. FitzGerald

ORDER ACCEPTING OFFER OF
SETTLEMENT

Date: December 2, 2005

INTRODUCTION

Disciplinary Proceeding No. E8A2002124001 was filed on July 26, 2005, by the Department of Enforcement of NASD ("Complainant"). Respondent James B. L'Esperance submitted an Offer of Settlement ("Offer") to Complainant on November 3, 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

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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

James B. L'Esperance ("Respondent") entered the securities industry on April 10, 2000 as an Investment Company and Variable Contracts Products Representative of a member of NASD. On April 27, 2002 he became registered in such capacity with Signator Investors, Inc. ("Member"), a member of NASD. He was registered in such capacity with the Member until December 20, 2002. He is not currently registered with any member of NASD and has no disciplinary history.

FINDINGS AND CONCLUSIONS

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

1. From April 27, 2002, to December 20, 2002, Respondent, while employed by the Member, engaged in outside business activities, in that he acted on behalf of Midland National Life Insurance Co. ("Midland") and Consecro Annuity Assurance Company ("Consecro") in participating in the sale of equity-indexed annuities to members of the public for which he received compensation. During this time, Respondent split commissions from sales to members of the public with another registered representative registered with the Member. During this time period, Respondent shared commissions for at least about 17 sales of equity index annuities

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through Midland or Conseco, and received a total of about \$51,392 for the sales.

2. Respondent accepted this compensation for the sale of equity-indexed annuities without giving prompt prior written notice to the Member as required under NASD Rule 3030.

Based on the foregoing, Respondent violated NASD Conduct Rules 2110 and 3030.

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

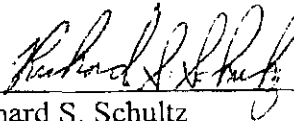
It is ordered that Respondent be fined \$2,500 and suspended from association with any member of NASD in any capacities for ten (10) business days. Respondent has asserted an inability to pay and has submitted a sworn financial statement. In light of the financial status of respondent, the fine imposed is \$2,500. The fine shall be due and payable either immediately upon reassociation with a member firm following the ten (10) business day 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.

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

SO ORDERED.

NASD

By:  _____

Richard S. Schultz

Regional Counsel

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