

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012035169501**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Donald Eugene Fox, Respondent
Registered Representative
CRD No. 5801962

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Donald Eugene Fox ("Respondent" or "Fox") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA 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 FINRA:

BACKGROUND

In June 2010, Fox began working as an insurance agent with Northwestern Mutual Life Insurance Company and as a non-registered fingerprint person with Northwestern Mutual Investment Services, LLC (BD No. 2881) ("Northwestern" or "the Firm"). In September 2011, Fox first became registered with FINRA as an Investment Company Products/Variable Contracts Representative through his association with the Firm. On December 11, 2012, the Firm filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") that disclosed Fox was permitted to resign on November 14, 2012, "while under an internal review opened after allegations were made that [Fox] forged the name of the conservator of an annuity in order to withdraw money from the annuity and that he borrowed money from a client against firm policy" and that Fox admitted the allegations.

Fox is not currently registered or associated with any FINRA member firm. FINRA retains jurisdiction over Fox pursuant to Article V, Section 4 of FINRA's By-Laws until December 10, 2014.

RELEVANT DISCIPLINARY HISTORY

On February 11, 2013, the South Carolina Department of Insurance issued a Letter of Warning to Fox based upon their confirmation of allegations that Fox "caused an unauthorized distribution of funds from an annuity account."

OVERVIEW

This matter concerns Fox's misappropriation of \$16,000 from an insurance customer in June 2012 and Fox's forgery of the signature of the insurance customer's court-appointed Conservator in furtherance of such misappropriation. By this conduct, Fox violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In June 2012, while serving in a registered capacity with the Firm and concurrently employed by Northwestern Mutual Life Insurance Company, Fox misappropriated funds totaling \$16,000 from an insurance customer. The insurance customer was not a client of the Firm or Northwestern Mutual Life. Specifically, Fox, on at least two occasions, without the knowledge or authority of the insurance customer or the insurance customer's designated Conservator, forged the Conservator's signature on annuity withdrawal request forms. Fox then submitted the forged forms to the annuity company and withdrew \$16,000 from the fixed annuity owned by the insurance customer. Fox then used the proceeds of the annuity checks to pay his own personal expenses.

Respondent's misappropriation of funds and forgery of documents, as described above, constitute violations of FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanction:

- Fox shall be barred from associating with any FINRA member in any and all capacities.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, Respondent may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- B. To be notified of the 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 National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA 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.

III.

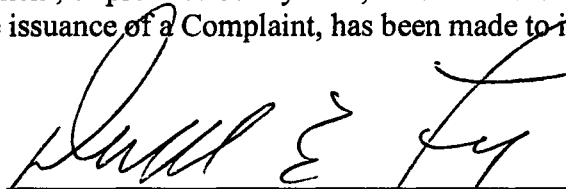
OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Respondent 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. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce Respondent to submit it.

12/18/13
Date


Donald Eugene Fox, CRD No. 5801962

Accepted by FINRA:

12/18/2013
Date

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

Susan Light (by ~~her~~)

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