

NASD

LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. C98050015 -DISTRICT 9 NEW JERSEY

TO: Department of Enforcement
 NASD

RE: Houston Miller Scott, Respondent
 CRD No. 2533881

Pursuant to Rule 9216 of NASD Code of Procedure, Houston Miller Scott ("Scott") is submitting 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 understanding 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 until it has been reviewed and accepted by NASD's Department of Enforcement and National Adjudicatory Council ("NAC") Review Subcommittee on Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence in any of the allegations against me; and
3. If accepted:
 - a. this AWC will become part of my permanent disciplinary record and will 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 matter and the subject matter thereof in accordance with NASD Rule 8310-2; and
 - d. I may not take any action or make or permit to be made in any public statement, including in regulatory filings or otherwise, deny or dispute, directly or indirectly, any allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision shall limit 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 are factors that will be considered in deciding whether to accept this AWC. That my history are as follows:

Scott became registered with NASD as an Investment Company Products/Variable Contracts Representative (Series 6) on or about December 1994. Scott was registered with Allstate Financial Services, Inc. from on July 8, 2000 until his association with such member was terminated on November 4, 2004 because of the conduct alleged herein. Scott is not presently associated with a member firm and has not previously been the subject of a NASD disciplinary action.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under NASD 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 respond to 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 rendered; 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 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 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 and without an adjudication of any issue of law or fact, to the entry of the following findings by NASD:

In or about June 2004, customer RM agreed to purchase a variable life insurance policy and signed four of the six forms related to his purchase of such policy. On or about July 23, 2004 and August 4, 2004, Scott signed RM's remaining two variable life insurance policy forms without the permission or knowledge of RM. This conduct was in violation of NASD Conduct Rule 10.

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

- A sixty calendar day suspension from association with any member of NASD in any capacity.
- A fine of \$5,000. The fine shall be due and payable either immediately upon reassociation with a member firm following the sixty calendar day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other proceeding, whichever is earlier.

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 denial of this AWC by the NAC.

III.

OTHER MATTERS

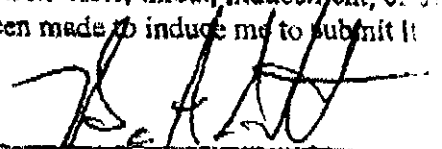
- A. I understand that I may attach a Corrective Action Statement to this AWC. This statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute findings of legal findings by NASD, nor does it reflect the views of NASD or its staff.
- B. 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 IM-8310 and IM-8310-1.)

- C. I agree to pay any monetary sanctions imposed on me upon re-entry, is with and have attached an Election of Payment form showing the method by which I propose to pay any fine imposed.
- D. I specifically and voluntarily waive any right to claim that I am unable to pay at any time hereafter, any monetary sanction imposed in this matter.

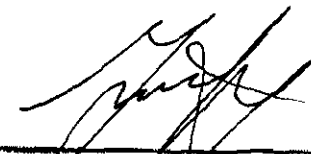
I certify that I have read and understand all of the provisions of this AWC and have had full opportunity to ask questions about it, and that no offer, threat, inducement, or other kind, other than the terms set forth herein, has been made to induce me to submit it.

2-2-05
Date


Houston Miller Scott,
Respondent

Accepted by NASD:

Date


Gary Liebowitz,
Senior Vice President,
District Director

Signed on behalf of the Director by
delegated authority