

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E1B7004053201

TO: Department of Enforcement
NASD

RE: Sheldon Bruce Fox, Respondent
CRD No. 2167064

Pursuant to Rule 9216 of NASD Code of Procedure, Sheldon Bruce Fox ("Fox") submits 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:

Sheldon Bruce Fox ("Fox") became registered with NASD as a general securities representative on or about October 21, 1975. Subsequently, Fox obtained a Series 63 license. The charged violations occurred while Fox was employed at Investors Capital Corp. ("ICC"), where he was registered from February 5, 2001 until his association with such member was voluntarily terminated on November 12, 2004. Fox is not presently associated with any member firm. His last association with a member firm ended in July 2005; therefore he remains subject to the NASD's jurisdiction.

Fox has no disciplinary history.

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:

Fox recommended to ICC customer, D.P., that she withdraw \$20,000 from two fixed annuities and use the proceeds to invest in a fixed annuity with North American Company for Life and Health Insurance ("NACOLAH").

In connection with D.P.'s investment in the NACOLAH fixed annuity, Fox signed the following transaction/annuity documents without customer D.P.'s consent or authority:

- A. North American Company for Life and Health Insurance Important Notice: Replacement of Life Insurance or Annuities, dated on or about April 27, 2004;
- B. Annuity Supplemental Application for Index and Allocation & Crediting Methods, dated on or about April 27, 2004;
- C. NACOLAH Form disclosing surrender charges associated with the NACOLAH Annuity dated on or about April 27, 2004;
- D. Policy Delivery Receipt, dated on or about July 29, 2004; and
- E. Amendment of Application to North American Company for Life and Health Insurance, dated on or about July 29, 2004.

When D.P. discovered in or about November 2001 that Fox had signed her name to several of the transaction/annuity documents without her consent or authority, she filed a complaint against Fox with ICC and NASD alleging forgery. D.P.'s \$20,000 investment in the NACOLAH fixed annuity was later cancelled and her funds were reinvested in the original fixed annuities.

As a result of this conduct, Fox violated NASD Conduct Rule 2110 and IM-2310-2.

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

A bar from association with any member firm in any capacity.

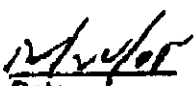
Pursuant to IM-8310-2 (f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC.

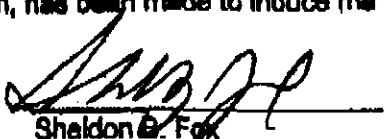
III.

OTHER MATTERS

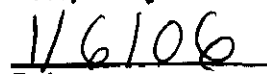
I understand that if I am barred or suspended from NASD with any NASD member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any NASD member in any capacity, including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

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.

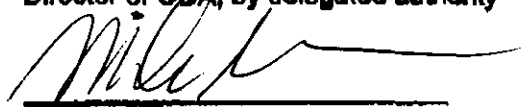

Date


Sheldon B. Fox

Accepted by NASD:


Date

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


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