

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E062004016101

TO: Department of Enforcement
NASD

RE: Bulltick, LLC
CRD No. 104005

Pursuant to Rule 9216 of NASD Code of Procedure, Bulltick, LLC ("Bulltick" or the "firm") 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 Respondent alleging violations based on the same factual findings.

Respondent understands 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 Respondent; and
3. If accepted:
 - a. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against it;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Respondent's 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. 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. Nothing in this provision affects Respondent's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

Respondent also understands that its 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:

Bulltick, LLC is currently, and was during all times relevant hereto, a member of NASD and registered as a broker/dealer with the Securities and Exchange Commission. The firm registered with NASD in September 2000. It has no prior disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Formal Complaint issued specifying the allegations against it;
- 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, 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 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.** 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 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:
- 1.** During the period from approximately October 2003 to October 2004, Bulltick, LLC failed to enforce its anti-money laundering ("AML") program in a manner that was reasonably designed to achieve and monitor compliance with the requirements of the Bank Secrecy Act and the implementing regulations promulgated thereunder by the Department of Treasury. During the relevant time period, the firm opened at least nine customer accounts that did not fully comply with the requirements of its AML program. Specifically:
 - a.** With respect to six accounts opened during the relevant time period, the firm failed to comply with its customer identification program ("CIP") in that it failed to verify the identity of the customers, who were all foreign banks. The firm's CIP program required it to obtain documentation regarding the existence of the entity such as articles of incorporation, government-issued business license, partnership agreement or trust agreement. The firm's CIP program also required it to obtain records of all parties authorized to transact business on behalf of the entity. The firm failed to obtain any of these records with respect to the six accounts.
 - b.** Although, pursuant to Sections 313 and 319(b) of the Bank Secrecy Act and regulations thereunder, Bulltick's AML program required it to obtain a shell bank certification for any foreign bank customer, the firm failed to obtain certifications, or other similar documentation, for seven of nine foreign bank customer accounts opened during the relevant time period. Additionally, the certification obtained from one of the two remaining customers was inadequate in that it did not contain all of the required information.

The fact that the firm had failed to obtain certifications for certain foreign bank clients was noted during the firm's independent testing of its AML program in March 2004. However, the firm failed to correct the problem.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3011(b) by Bulltick, LLC.

2. During the period from approximately October 2003 to October 2004, Bulltick, LLC violated NASD recordkeeping provisions by failing to obtain certain required information in connection with new customer accounts. Specifically,, with respect to nine foreign bank customer accounts opened during the relevant period, three of the accounts were not approved in writing by a principal of the firm, two of the accounts did not have the signature of the registered representative on the account opening documents, and eight of the accounts lacked the names of the individuals that were authorized to transact business on behalf of the accountholder.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3110(c) by Bulltick, LLC.

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

A censure and a monetary fine in the amount of \$10,000.

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

III.

OTHER MATTERS

- A. Respondent understands that it may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD or its staff.
- B. Respondent agrees to pay any monetary sanctions imposed on it upon notice that this AWC has been accepted and that such payment are due and payable and has attached an Election of Payment form showing the method by which it proposes to pay any fine imposed.

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- C. Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

Respondent certifies that it has read and understands all of the provisions of this AWC and has 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 Respondent to submit it.

9/18/08
Date

Bulltick, LLC

By: Catalina Cadavid
(signature)

Name: Catalina Cadavid
(printed name)

Title: Chief Compliance Officer

Reviewed by:

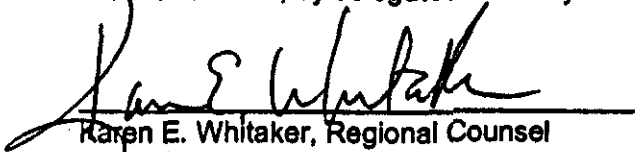
Counsel for Respondent

Letter of Acceptance, Waiver and Consent
E062004016101/Bulltick, LLC

Accepted by NASD:

September 21, 2006
Date

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



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BULLTICK LLC

Ms. Karen Whitaker
Regional Counsel
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Dallas, TX. 75243

RE: Examination/Investigation No. E0620040161

This Corrective Action Statement is submitted by the respondent. It does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD, or its staff.

Dear Ms. Whitaker

The purpose of this Corrective Action Statement is to demonstrate the steps Bulltick LLC. has taken to correct the deficiencies found in the anti-money laundering procedures and prevent future misconduct.

1. **During the period from October 2003 to October 2004, Bulltick failed to enforce its anti-money laundering program. During the time period, the firm opened at least nine customer accounts that did not fully comply with the requirements of its AML program. Specifically:**

- A. **Six Foreign Bank accounts were opened failing to comply with the firm's CIP program.**

All foreign bank accounts that were missing information were frozen after the routine examination and were not allowed to trade until all missing documents were collected from the customer. All accounts are completed.

The New Account opening procedures were updated on December of 2004 to ensure no accounts can be opened without the necessary information and documentation to comply with the firm's CIP program. See Annex 5 for a copy of the New Accounts Opening Procedures.

- B. The firm failed to obtain Foreign Bank Certifications for seven Foreign Bank Accounts and the certification obtained for one account was inadequate.**

All foreign bank accounts have been updated, see Annex 6 for copies of all the Foreign Bank certificates on file for the firm's foreign bank accounts currently opened.

The firm has also updated its procedures, no new account for a foreign bank can be opened until the foreign bank certificate is received, reviewed and approved by the principal. Our clearing firm, Pershing LLC, also has in place procedures to assure that no foreign bank accounts can be transacting business if the form is missing or has expired.

To help the firm track and supervise these accounts, Pershing LLC, provides the firm with compliance reports such as:

AML Monthly Six bank Name Scan report: Identifies and lists foreign bank accounts opened to date.

AML Daily Six Bank Name Scan Report: Identifies and lists new foreign bank accounts that the firm opens each day.

Pershing also sends Bulltick's compliance officer an e-mail notification 60 days before a foreign bank certificate for an existing account expires. If the updated form is not submitted to the clearing firm by Bulltick during that time period, the account is closed and no transactions of any kind can be done in the account until the form is received and approved by them. See Annex 7 for the memo sent by our Clearing firm regarding this matter.

- 2. The firm failed to follow its Written Supervisory Procedures in regards to a principal signing and approving new customer accounts. With respect to nine foreign bank accounts three of the accounts were not approved in writing by a principal, two of the accounts did not have the signature of the registered representative and eight lacked the names of the individuals that were authorized to transact business on behalf of the account holder.**

As of December 2004, new accounts procedures(Annex 5) and documentation for all opened accounts was updated.

Bulltick and its staff take Money laundry prevention very seriously, all deficiencies that were found by NASD staff during the routine examination conducted on October 2004 have been corrected and additional procedures have been added to prevent future problems.

On June of 2005 and independent AML audit was conducted by Bysis and all the past deficiencies were found to be corrected as noted in their report which we are also attaching to this Corrective Action Statement for your review (Annex 8). Another Independent audit was conducted last month and even though we haven't received the written report yet, the results were satisfactory according to the exit conference comments from the auditor. We should be receiving this report within the next month and we will gladly forward it to you for your review.

Please do not hesitate to contact us at any time if you have any further questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Catalina Cadavid', with a stylized flourish at the end.

Catalina Cadavid
Chief Compliance Officer
Bulltick LLC