

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E3B2004004501

TO: Department of Enforcement
NASD

RE: Salman Partners (USA) Inc., Respondent
Member
CRD No. 43842

and

Ian D. Todd, Respondent
General Securities Principal
CRD No. 2940041

Pursuant to Rule 9216 of NASD Code of Procedure, Respondents submit 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 Respondents alleging violations based on the same factual findings.

Respondents 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"), 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 them; and
3. If accepted:
 - a. this AWC will become part of Respondents' permanent disciplinary records and may be considered in any future actions brought by NASD or any other regulator against them;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Respondents' disciplinary records;

- 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. Respondents 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 Respondents' testimonial obligations or right to take legal positions in litigation in which NASD is not a party.

Respondents also understand that their 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:

Salman Partners (USA) Inc. ("Salman Partners" or "the Firm") became a member of NASD on December 6, 1999. Its principal offices are located in Vancouver, British Columbia, Canada. The Firm markets research reports to U.S. institutional customers and is compensated through directed order flow. Its transactions are cleared through a DVP/RVP arrangement. It operates pursuant to the exemptive provisions of SEC Rule 15c3-3(k)(2)(i).

Ian D. Todd ("Todd") is the Vice President, Chief Financial Officer and Anti-Money Laundering Compliance Officer of Salman Partners. He entered the securities industry in December 1999 as a Financial & Operations Principal and General Securities Representative of Salman Partners. Since April 2000, he has also been registered through Salman Partners as a General Securities Principal.

Neither Salman Partners nor Todd has any relevant formal disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

Respondents 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 them;
- 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, Respondents 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.

Respondents 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. Respondents 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, to the entry of the following findings by NASD:

As part of its anti-money laundering program, Salman Partners (USA) Inc. adopted written procedures establishing a customer identification program. When a new account was opened, those procedures required the Firm to verify the customer's identity through appropriate documents if they were available. The following documents were identified as appropriate for verifying the identity of a business: a certificate of incorporation, a government-issued business license, partnership agreements, corporate resolutions, or similar documents.

During the period from October 1, 2003, until October 3, 2004, the Firm, acting through Ian D. Todd, failed to implement its customer identification procedures. During that period, the Firm opened new accounts for 21 institutional customers, but failed to obtain documentation to verify the customers' identities.

The foregoing acts, practices and conduct constitute separate and distinct

violations of NASD Conduct Rules 3011(b) and 2110 by Salman Partners (USA) Inc. and Ian D. Todd.

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

Salman Partners (USA) Inc. and Ian D. Todd shall be censured and fined \$15,000, jointly and severally.

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

III.

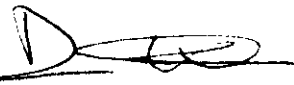
OTHER MATTERS

- A. Respondents understand that they may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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. Respondents agree to pay any monetary sanctions imposed on them upon notice that this AWC has been accepted and that such payments are due and payable and have attached Election of Payment forms showing the method by which they propose to pay any fine imposed.
- C. Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

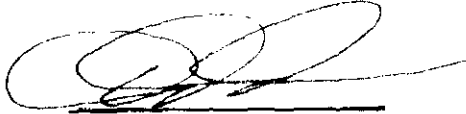
Respondents certify that they have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce them to submit it.

Salman Partners (USA) Inc.

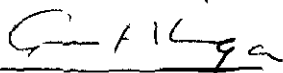
JANUARY 24, 2006
Date

By: 
Terrance K. Salman
President

January 24, 2006
Date


Ian D. Todd
Respondent

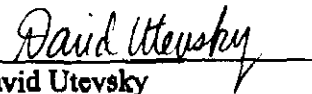
Reviewed by:


D. Grant Vingoe
Counsel for Respondents
Arnold & Porter LLP
399 Park Avenue
New York, NY 10022-4690

Accepted by NASD:

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

March 3, 2006
Date


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