

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 59374 / February 10, 2009

INVESTMENT ADVISERS ACT OF 1940
Release No. 2839 / February 10, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13366

In the Matter of

WILLIAM H. SALEM,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against William H. Salem (“Salem” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b)

of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Salem is 49 years old and is a resident of Willoughby Hills, Ohio. From at least January 2003 through November 2005, Salem was a registered representative associated with Advest, Inc., a broker-dealer and investment adviser registered with the Commission which maintained offices in various states, including Ohio.

2. On January 11, 2008, Salem pled guilty to one count of securities fraud in violation of Title 15 United States Code, Sections 78j(b) and 78ff, for manipulating the market for the stock of Innotrac Corp. and one count of making false statements, Title 18 United States Code, Section 1001, before the United States District Court for the Northern District of Ohio, in United States v. William H. Salem, Case No. 1:07-CR-627. On April 3, 2008, a judgment in the criminal case was entered against Salem. He was sentenced to a prison term of one month followed by two years of supervised release and ordered to make restitution in the amount of \$5,000.00

3. The counts of the criminal information to which Salem pled guilty alleged, inter alia, that Salem defrauded investors and obtained money and property by engaging in manipulative and deceptive trading activity in the stock of Innotrac Corp., and that in connection with that trading activity made use of a national securities exchange, and that Salem made false statements to federal government agents.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Salem’s Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Salem be, and hereby is barred from association with any broker, dealer, or investment adviser.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary