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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of Washington by:

Jerry A. Martin; Martin Investment Firm; their
employees and agents,

Respondents

SDO - 00 -116

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
CEASE AND DESIST

Case No. 99-10-36

THE STATE OF WASHINGTON TO:

Jerry A. Martin and Martin Investment Firm

On November 17, 2000, the Securities Administrator of the State of Washington issued a Summary Order to Cease and Desist, SDO-108-00, hereinafter referred to as the Summary Order, to Jerry A. Martin; Martin Investment Firm; their employees and agents.

The Summary Order, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing"), were personally served on Jerry Martin on December 3, 2000. Jerry Martin is the owner of and doing business as Martin Investment Firm. The Notice of Opportunity for Hearing advised Jerry A. Martin and Martin Investment Firm that each had twenty days from the date he or it received the notice to file a written application for an administrative hearing on the Statement of Charges.

Jerry Martin and Martin Investment Firm returned the Application for Hearing form to the Securities Division on December 14, 2000 and indicated that they did not request an administrative hearing in the matter.

The Securities Administrator therefore will adopt as final the findings of fact and conclusions of law as set forth in the Summary Order.

1 The Securities Administrator makes the following findings of fact and conclusions of law:

2 **TENTATIVE FINDINGS OF FACT**

3
4 **RESPONDENTS**

5 **I.**

6 1.1 Jerry A. Martin is the owner of and doing business as Martin Investment Firm, a sole proprietorship,
7 and is doing business at a Spokane Washington address.

8 1.2 Jerry Martin has used the name Martin Investment Firm in connection with the management of his
9 personal investments and in connection with the sale of investments to the public.

10
11 **OFFERING**

12 **II.**

13 2.1 In approximately December 1999, Jerry A. Martin opened a trading account with Global
14 Dominion Financial Services to be managed by them for the purpose of trading in offshore debentures,
15 treasury or Federal Reserve notes.

16 2.2 From approximately December 1999 to present, Respondent Jerry A. Martin dba Martin
17 Investment Firm personally or through his agents caused investments in his personal trading account to
18 be offered and sold to at least 28 investors, most of who were Washington residents.

19 2.3 Martin told certain investors that the trading account was with Global Dominion Financial
20 Services, an international banking financial institution located in Nevis, West Indies and explained that
21 their money would be used in a high yield trading program investing in financial instruments such as
22 debentures, treasury or federal reserve notes.

23 2.4 Jerry A. Martin told some investors that their money would be pooled with other investors'
24 funds in his trading account.

25 2.5 Jerry A. Martin promised investors a 10% return on each trade made in his account or a
26 minimum of a 10% return per month.

1 2.7 Martin provided investors a receipt of their investment and statements reflecting the
investments and their increased value as a result of trading activity in the account.

2 2.8 Jerry A. Martin collected in excess of \$150,000 from investors for the purpose of investing in
3 his Global Dominion Financial Services trading account.

4 ANTI-FRAUD VIOLATIONS

5 III.

6 In connection with the offer and sale of interests in his Global Dominion Financial Services trading
7 account, Jerry A. Martin dba Martin Investment Firm told investors that their money would be invested in
8 his trading account, but Martin failed to adequately disclose to investors at least the following material
9 information: (1) the specific potential risks of the investment; (2) financial information concerning Global
10 Dominion Financial Services, including prior trading history, financial statements or historical financial
11 information of any kind; (3) that not all investor funds were going to be deposited into the trading account,
12 but rather some of the funds would be diverted to personal or business uses by Jerry A. Martin and (4)
13 financial information regarding himself and the Martin Investment Firm.

14 FICTITIOUS FINANCIAL INSTRUMENTS

15 IV.

16 The high yield trading program as described above purports to involve an investment in the offshore
17 trading of financial instruments called debentures and Federal Reserve notes that are issued or traded among
18 major U.S. and European banks and financial institutions. Since 1993, the Federal Reserve Board, the
19 Securities and Exchange Commission and other regulatory agencies have alerted the public that such high
20 yield trading programs and other schemes are fraudulent and do not involve bona fide financial instruments
21 or actual trading of securities. Jerry A. Martin failed to disclose these warnings to investors and did not
22 provide investors with documentation of the existence of the so-called financial instruments or trading
23 program.

24 FAILURE TO REGISTER OFFER OF SECURITIES

V.

The offer and sale of interests by Jerry A. Martin in his Global Dominion Financial Services trading account are not currently registered under the Securities Act of Washington, chapter RCW 21.20, in the state of Washington and have not previously been so registered.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

I.

The offer and/or sale of interests by Jerry A. Martin in his Global Dominion Financial Services trading account as described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12), to wit: an investment contract, risk capital or evidence of indebtedness.

II.

The offer and/or sale of said securities was made in violation of RCW 21.20.010, the anti-fraud provisions of the Securities Act because Respondents failed to disclose to investors material facts as set forth above in Paragraphs I through IV of the Tentative Findings of Fact.

III.

The offer and/or sale of said securities are in violation of RCW 21.20.140 because no registration for such offer and/or sale is on file with the Administrator of Securities of the state of Washington.

ORDER

Based upon the above Findings of Fact and Conclusions of Law, it is hereby

ORDERED that Jerry A. Martin and Martin Investment Firm, their agents and employees, each cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

IT IS FURTHER ORDERED Jerry A. Martin and Martin Investment Firm each cease and desist from offering unregistered securities in violation of RCW 21.20.140.

1 This Order is entered pursuant to RCW 21.20.390 and is subject to the provisions of ch. 34.05
2 RCW.

3
4 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

5
6 DATED this 26th day of December , 2000.

7
8 

9
10 DEBORAH R. BORTNER
11 Securities Administrator

12 Approved for entry by:

12 Presented by:

13
14 _____
15 MICHAEL E. STEVENSON
16 Chief of Compliance

14 _____
15 MARTIN CORDELL
16 Securities Examiner