

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**October 18, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12457**

**In the Matter of**

**DENNIS A. MARTIN,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND NOTICE OF HEARING**

**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”) against Dennis A. Martin (“Martin”).

**II.**

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT AND THE PERMANENT INJUNCTION

1. Martin, 36 years old, is a resident of Marietta, Georgia.
2. From April 2004 through April 20, 2006, Martin was a registered representative doing business as “First Financial Group,” an unincorporated entity. During this time, Martin was associated as an independent contractor with Linsco/Private Ledger Corp. (“LPL”), a registered broker-dealer. As such, Martin maintained an independent office, of which he was the sole employee.

3. On September 11, 2006, a final judgment was entered against Martin, by default, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Dennis A. Martin, Civil Action Number 1:06-cv-1078-TCB, in the United States District Court for the Northern District of Georgia.

4. The Commission’s complaint alleged that the matter involved the misappropriation of more than \$2.5 million of customer funds by Martin, and that he accomplished the fraud by obtaining authorization, under false pretenses, to sell securities from his customers’ accounts and to invest the proceeds in different investments. The complaint further alleged that Martin, however, never purchased the authorized investments on behalf of his clients, and instead misappropriated the proceeds. The complaint alleged that at various times between February 2005 and May 2006, Martin recommended to at least five, and to as many as 29 customers, that they sell variable annuity contracts that they owned and within a short time purchase new variable annuity contracts with higher principal amounts, which would increase the minimum guaranteed death benefit. The complaint alleged that Martin also recommended that his customers invest the proceeds from the sale of their variable annuity contracts in a money market fund or in a closed-end fund for a short time prior to purchasing the new variable annuity contracts. The complaint alleged that after his customers authorized the transactions as represented, Martin submitted forged documents to the variable annuity companies surrendering the contracts and directing those companies to mail the proceeds to him, unbeknownst to his customers. Martin then forged his customers’ names on the checks and deposited them into a bank account in the name of First Financial Group, a fictitious name under which he did business. The complaint also alleged that Martin provided at least four of his customers with false statements and confirmations reflecting that he had invested the proceeds in the closed-end fund, and that Martin did not invest any money in the closed-end fund.

### III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and
- B. What, if any, remedial action is appropriate in the public interest against the Respondent pursuant to Section 15(b) of the Exchange Act.

### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that the Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If the Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon the Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris  
Secretary