

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 64786 / June 30, 2011**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3229 / June 30, 2011**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14448**

**In the Matter of**

**PATRICK L. MARTIN,**

**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**  
**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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Patrick L. Martin (“Martin” or “Respondent”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENT**

1.       Martin was the chief manager of LandOak Securities, LLC (“LandOak Securities”), an investment adviser registered with the Commission, since April 2000. LandOak Securities is also a broker-dealer registered with the Commission. During the relevant time period, Martin was an owner and the principal operator of LandOak Securities and has owned at least 75% of LandOak Securities since April 2003. Prior to that time, Martin owned at least 25% of LandOak Securities. During the time in which he engaged in the conduct underlying the complaint

described below, Martin was a registered representative of LandOak Securities, the registered broker-dealer.

**B. ENTRY OF THE INJUNCTION**

2. On March 29, 2011, a final judgment was entered by consent against Martin, permanently enjoining him from future violations of Sections 206(1), 206(2), 206(4), 207, and 204 of the Advisers Act and Rule 204-2 thereunder, in the civil action entitled Securities and Exchange Commission v. LandOak Securities, et al., Civil Action Number 3:08-cv-0209, in the United States District Court for the Eastern District of Tennessee.

3. The Commission's complaint alleged the following: Between July 1997 and July 1998, Martin and his co-defendant Michael A. Atkins ("Atkins") sold investors approximately \$3.6 million in promissory notes and membership interests in LandOak Mortgage, a Tennessee limited liability company. More than a third of LandOak Mortgage investors were LandOak Securities advisory clients, who together invested a total of \$1.8 million in LandOak Mortgage. Between July 2002 and January 2003, Martin and Atkins misappropriated, diverted, or misused approximately \$2.8 million from LandOak Mortgage. In July 2002, Martin and Atkins took \$1,545,000 and diverted or loaned it to Tice Technologies, Inc. ("Tice"). Martin and Atkins did not disclose to LandOak Mortgage's investors, several of whom were advisory clients of LandOak Securities, that Martin had a conflict of interest because he was a director of Tice and owned a substantial stake in that company. Martin also failed to maintain certain books and records required of investment advisers registered with the Commission, and also made false statements and material omissions in LandOak Securities' Form ADV and amendments filed with the Commission.

**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 hereof are true, and in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers 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 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 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 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, 17 C.F.R. § 201.306(a)(2).

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.

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

Elizabeth M. Murphy  
Secretary