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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, BUREAU OF SECURITIES
COMPLIANCE AND EXAMINATIONS

Docket No.: 18009 (SEC-CAO)

v.

FINANCIAL ADVISORS CONSORTIUM, INC.:
DAVID E. MARTIN

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Compliance and Examinations ("Bureau"), has conducted an investigation and an examination ("Exam") of the business practices of Financial Advisors Consortium, Inc. ("Respondent FAC" or "FAC") and David E. Martin ("Respondent Martin" or "Martin") (hereinafter collectively referred to as "the Respondents"). Based on the results of its investigation, the Bureau has concluded that FAC and Martin have engaged in activity in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101, et seq. ("1972 Act").

FAC and Martin, in lieu of litigation, and without admitting or denying the allegations contained herein, and intending to be legally bound, voluntarily consents to the entry of this Consent Agreement and Order ("CAO"), and waives any right to a hearing or to judicial review regarding this CAO.

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.

2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.

3. FAC, CRD # 141081, was, at all times material herein, a Pennsylvania corporation with an address at 6200 Babcock Boulevard, Pittsburgh, Pennsylvania 15237.

4. Martin, CRD #1046246, was, at all times material herein, an individual with an address at Redacted . At all times material herein, Martin has been the president of FAC.

5. From in or about July 2006 to the present, FAC has been registered and transacted business in Pennsylvania as an investment adviser pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c).

6. From on or about July 2006 through the present, Martin has been registered and transacted business in Pennsylvania as an investment adviser representative of FAC pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c)

7. At all times material herein, Martin has "controlled" FAC as that term is defined by Section 102(g) of the 1972 Act, 70 P.S. § 1-102(g), and as such, has caused Respondent FAC to commit the herein alleged acts which violate the 1972 Act, 70 P.S. § 1-101, et. seq., and its regulations.

8. From in or about February 2012 until at least November 2017, FAC and Martin borrowed money from three clients.

VIOLATIONS

9. By engaging in the acts and conduct set forth in paragraph 8 above, the Department finds that FAC and Martin engaged in dishonest and unethical practices in the securities business by borrowing money from a client pursuant to Section 305(a)(ix) of the 1972 Act, 70 P.S. § 1-305(a)(ix) and Regulation 305.019(c)(3)(vi), 10 Pa. Code § 1-305.019(c)(3)(vi).

AUTHORITY

10. The Department has the authority to deny, suspend, revoke or condition the securities registration of FAC and Martin or censure FAC and Martin pursuant to Section 305(a)(ix) of the 1972 Act, 70 P.S. § 1-305(a)(ix).

11. The Department has the authority to order the payment of costs of an investigation or to order the payment of an administrative assessment for violations of Section 305(a)(ix) of the 1972 Act, 70 P.S. § 1-305(a)(ix), *see* 70 P.S. § 1-602.1(b) and 70 P.S. § 1-602.1(c)(1)(i).

RELIEF

12. Respondents FAC and Martin shall pay investigative and legal costs in the amount of \$2,500 contemporaneously with the submission of an executed Consent Agreement and Order. Payment shall be made by certified check or money order made payable to the "Department of Banking and Securities" and shall be mailed, or delivered in person, to the Bureau of Securities Licensing, Compliance and Enforcement located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

13. Respondents FAC and Martin shall pay an administrative assessment in the amount of \$7,500 contemporaneously with the submission of an executed Consent Agreement and Order. Payment shall be made by certified check or money order made payable to the "Department of Banking and Securities" and shall be mailed, or delivered in person, to the Bureau of Securities Licensing, Compliance and Enforcement located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

14. Respondents FAC and Martin are ORDERED to comply with the 1972 Act and the regulations adopted by the Department, and in particular Section 305(a)(ix) of the 1972 Act, 70 P.S. § 1-305(a)(ix) and Regulation 305.019(c)(3)(vi), 10 Pa Code § 1-305.019(c)(3)(vi).

15. Should FAC and Martin fail to pay the investigative and legal costs and the administrative assessment set forth in paragraphs 12 and 13 above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording FAC and Martin the option of either paying the costs and/or assessment or being indefinitely subject to the sanctions.

16. Should FAC and Martin fail to comply with any and all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to the Respondents' right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

17. Consent. FAC and Martin hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agree that it understands all of the terms and conditions contained herein. FAC and Martin,

by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

18. Entire Agreement. This Order contains the entire agreement between the Department, FAC and Martin. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department, FAC and Martin.

19. Binding Nature. The Department, FAC and Martin, and all heirs and assigns of them intend to be and are legally bound by the terms of this Order.

20. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

21. Effectiveness. FAC and Martin hereby stipulate and agree that the Order shall become effective on the date that the Bureau executes the Order (“Effective Date”).

22. Other Enforcement Action

- a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against the Respondents in the future regarding all matters not resolved by this Order.
- b. The Respondents acknowledge and agree that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.
- c. The Respondents acknowledge and agree that this Order does not preclude any other agency from instituting administrative, civil or criminal proceedings that may be related to matters addressed by this Order.

23. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

24. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

25. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

26. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

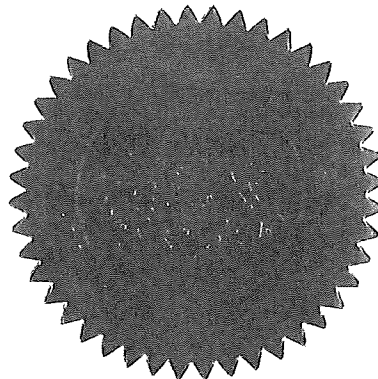
WHEREFORE, inconsideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Licensing, Compliance and Examinations and Financial Advisors Consortium, Inc. and David E. Martin, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES,
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS**

Redacted

Joseph J. Minisi
Deputy Secretary of Securities

Date: March 29, 2018



FINANCIAL ADVISORS
CONSORTIUM, INC.

DAVID E. MARTIN

Redacted

(Signature)

Redacted

(Signature)

DAVID E. MARTIN

(Print Name)

DAVID E. MARTIN

(Print Name)

PRESIDENT

(Title)

(Title)

Date: 1-26-2018

Date: 1-26-2018