

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

V.

MARCO A. MARTIN (CRD No. 3100944),

RESPONDENT.

**DISCIPLINARY PROCEEDING
No. 2008014982901**

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between April 2006 and July 2008, while working as a registered representative of Citigroup Global Markets Inc. or one of its predecessor entities¹ ("CGMI" or the "Firm"), Respondent Marco A. Martin executed over 50 unauthorized trades in the account of a customer, in violation of NASD Rules 2110 and IM-2310-2(b).

2. Martin hid the losses that resulted from his unauthorized trading from this customer by sending false and misleading monthly summaries that overstated the value of the assets in the customer's accounts, in violation of NASD Rule 2110.

3. On October 24, 2006, Martin also executed an unauthorized trade in the account of a different customer by purchasing \$126,000 worth of a mutual fund without the customer's prior knowledge, authorization, or approval, in violation of NASD Rules 2110 and IM-2310-2(b).

¹ Martin initially worked for Citigroup Smith Barney, which later became CGMI. Herein, the various entities which ultimately became CGMI will be referred to as CGMI.

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RESPONDENT AND JURISDICTION

4. Marco A. Martin, CRD No. 3100944, age 39, became registered with FINRA in 1998. He currently holds Series 3, 7, 31, 63 and 65 licenses. He became registered with CGMI on July 10, 1998 when he began working as a general securities representative in the Firm's office in El Paso, Texas. He continued working in that capacity until CGMI terminated him for cause effective August 27, 2008 for admitting that he "intentionally provided inaccurate and misleading account summaries (non-firm documents) to a firm client and that he exercised discretion in client accounts without written authority." Since September 2008, Martin has been working as a registered representative for a Canadian brokerage firm in Toronto, Ontario. He has no relevant disciplinary history.

5. Martin remains subject to FINRA's jurisdiction for purposes of this proceeding pursuant to Article V, Section 4 of FINRA's By-Laws because (1) the Complaint was filed within two years after the date upon which he ceased to be associated with a FINRA member and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member.

FIRST CAUSE OF ACTION (Unauthorized Trading in BDC's Fixed Income Account) (NASD Rules 2110 and IM-2310-2(b))

6. The Department realleges and incorporates by reference paragraphs 1-5 above.

7. In the spring of 2004, a company ("BDC") based in Chihuahua, Mexico opened five separate accounts at CGMI, each with a different investment purpose. Martin inherited the accounts after the original brokers on the accounts, MV and SU, left for another firm.

8. One of the BDC's accounts was referred to as the *Fixed Income Account*.

9. At the outset of Martin's assignment as the broker of record for BDC's Fixed

Income Account in February 2006, the account contained one investment: 286,528 units of a single, conservative product — SBGH US Dollar Reserve Fund CL A distribution units (“SBGH units”). The investment objective of the SBGH US Dollar Reserve Fund, one of SBGH’s Fixed Income funds, was to “aim to maximize current income consistent with liquidity and conservation of capital.” This Fund was like a money market fund in that it sought “to ensure that, to the extent reasonably possible, the Net Asset Value per Unit of each class of Distribution Units in the Fund will not change from U.S. \$1.00”

10. All five BDC accounts were managed accounts on which CGMI and the broker were paid through a management fee, with one exception: CGMI and its broker were paid commissions on purchases of newly issued securities.

11. Between February and April 2006, the Fixed Income Account held approximately 287,000 SBGH units, and interest on those units was reinvested. In April 2006, Martin liquidated nearly the entire position. Martin used those proceeds and an additional cash deposit to begin purchasing unauthorized investments for the account, including various closed end funds.

12. Starting in January 2007, Martin began purchasing proprietary structured products for the Fixed Income Account referred to as equity-linked securities or “ELKS.” ELKS are a series of unsecured senior debt securities issued by Citigroup Funding, Inc. These equity-linked investments offered income as well as limited protection against declines in the prices of the common stocks upon which the ELKS were based, but they provided no protection to principal. ELKS investors were paid a fixed coupon at the maturity date of the ELK, or if the underlying equity’s shares dropped below a “Downside Threshold Price,” a fixed number of shares of the underlying equity equal to an equity ratio.

13. None of Martin's purchases of ELKS for the Fixed Income Account was authorized by BDC.

14. Martin continued to buy and sell the ELKS and other unauthorized products in the account until July 15, 2008. Even though BDC's Fixed Income account was a managed, fee-based account, CGMI and Martin earned commissions on all of the products recommended and sold in the BDC Fixed Income account (such as most of the ELKS purchases) that were classified as "new issues" by CGMI's underwriting department.

15. Between April 5, 2006 and July 15, 2008, Martin executed at least 50 separate transactions in the Fixed Income Account that were not authorized by BDC. A listing of these transactions is attached hereto as **Exhibit A**. Nobody associated with BDC approved or authorized Martin's purchases of ELKS or any of the other transactions in Exhibit A. The commissions Martin earned on the unauthorized transactions in the BDC Fixed Income Account were over and above his portion of the quarterly fees generated from the account.

16. In approximately July 2008, BDC became aware that Martin had been purchasing ELKS and other unauthorized investments in BDC's Fixed Income Account, and that the investments had suffered significant losses. BDC complained to Martin and CGMI. CGMI paid BDC restitution totaling over \$325,000.

17. Since BDC's first complaint about the unauthorized purchases, Martin has alternatively and inconsistently claimed that his purchases of ELKS and other unauthorized transactions in the Fixed Income Account were (1) a mistake, (2) done with "implicit discretion," or (3) each explicitly authorized by BDC.

18. CGMI did not permit brokers to exercise "implicit" discretion. CGMI's policies only allow brokers to exercise discretion in an account when the broker has first obtained written

authorization and approval from three different sources: a) the customer; b) the CGMI branch manager; and c) the CGMI regional director. Nobody at CGMI gave Martin approval or authorization to exercise any form of discretion in the Fixed Income Account.

19. By executing over 50 transactions without authorization from his customer, Martin violated NASD Rules 2110 and IM-2310-2(b).

**SECOND CAUSE OF ACTION
(Providing Misleading Monthly Account Summaries to Customer BDC)
(NASD Rule 2110)**

20. The Department realleges and incorporates by reference paragraphs 1–19 above.

Martin's Monthly Summaries

21. In approximately May 2006, soon after Martin began executing transactions for new investments in the Fixed Income Account, Martin created and began e-mailing one-page monthly account summaries ("Monthly Summaries") to two BDC representatives — CH and AC.

22. For more than two years, Martin created these Monthly Summaries and e-mailed them each month to CH and AC from his CGMI e-mail address. He used a consistent format from month to month with few substantive changes. An example of a Monthly Summary and Martin's accompanying e-mail is attached hereto as **Exhibit B.**²

23. The Monthly Summaries purported to provide the total monthly account values and year-to-date performance for each of the five BDC accounts without identifying any of the specific investments or positions that were held in the various accounts.

² The column headings on the Monthly Summaries are in Spanish and translate as follows: Cuenta (Account), Descripcion (Description), Saldo a Dic. 31, [200X] (Balance as of Dec. 31, 200X), Saldo a [XX XX,200X] (Balance as of Current Month/Day/Year), Rendimiento (Performance or Yield by percentage since YTD), and Notas (Notes). Under Descripcion, the Fixed Income Account is described as "Renta Fija," which translates as "Fixed Income."

24. Martin designed the Monthly Summaries to appear to be official CGMI documentation. Among other information, he inserted a copy of CGMI's official "Smith Barney Citigroup" brand logo and frequently included a copy of the firm's emblematic "umbrella" brand logo.

25. Martin's Monthly Summaries violated CGMI's policies and procedures in multiple respects: (i) representatives were not permitted to alter firm-generated monthly account statements; (ii) documents containing account valuations or performance indicators needed pre-approval before being sent to customers and Martin failed to get such pre-approval; (iii) documents containing client account equity or net worth and statistical data needed certain specified disclosures and Martin failed to include such disclosures; and (iv) representatives were prohibited from sending confidential information about clients via email. Here, the Monthly Summaries contained such information and were sent by email.

Martin's Monthly Summaries Hid Losses In BDC's Accounts

26. Shortly after Martin's first purchase of ELKS for the Fixed Income Account, the value of the ELKS declined and other ELKS purchased for the Account thereafter similarly declined in value, leading to losses in the Fixed Income Account. Martin did not reflect these losses in the Monthly Summaries sent to the customer; the 17 Monthly Summaries following Martin's first ELKS purchase all overstated the value of the assets in BDC's Fixed Income Account. At least four Monthly Summaries also overstated the values of one or more of BDC's other accounts at CGMI as well.

27. In the 17 Monthly Summaries that Martin sent to CH and AC between March 2007 and July 2008, there were at least 40 separate misrepresentations regarding the account

values of the BDC accounts. A spreadsheet identifying 40 overstatements in Martin's Monthly Summaries is attached hereto as **Exhibit C**.

28. These Monthly Summaries misrepresented the value of the CGMI accounts and failed to accurately reflect the substantial losses that had been incurred in the Fixed Income Account as a result of Martin's purchase of investments that were less conservative than standard fixed income investments. For example:

- a. The Monthly Summary dated March 31, 2007 misrepresented the total balances for four of BDC's five accounts at CGMI.
- b. Each of the five Monthly Summaries sent for the period between November 30, 2007 and March 31, 2008 stated that the Fixed Income Account held at least \$90,000 more than the account actually held.
- c. The last Monthly Summary Martin issued before the unauthorized trades were discovered, dated June 30, 2008, overstated the value of the Fixed Income Account by over \$109,000 — an 18 percent overstatement.

29. By sending false and misleading Monthly Summaries to his customer, Martin violated NASD Rule 2110.

**THIRD CAUSE OF ACTION
(Unauthorized Trading in Customer FB's Account)
(NASD Rules 2110 and IM-2310-2(b))**

30. The Department realleges and incorporates by reference paragraphs 1–29 above.

31. Customer FB opened an account with CGMI in December 2003 to hold the assets of his deceased father's estate. FB was the sole executor of his father's estate and the only person authorized to approve purchases or sales on the account ("the FB account").

32. FB informed his initial broker, SU, that he wanted all of the assets in the account invested conservatively in no-risk money market instruments. SU placed the assets into a money market fund.

33. When SU left CGMI in November 2005, Martin inherited the FB account. Between January 2006 and May 2006, the FB account maintained a very low balance, all of which was invested into CGMI's "Bank Deposit Program" — FDIC-insured sweep accounts. On May 4, 2006, approximately \$83,000 was deposited into the Bank Deposit Program, followed by further account deposits and withdrawals in the following months.

34. On October 24, 2006, without obtaining authorization from FB, Martin purchased over 12,000 shares of a mutual fund — the Eaton Vance Floating Rate Fund (Class A), or EVBLX, for the FB account at a cost of \$126,000. Martin's \$126,000 purchase of EVBLX shares constituted nearly all of the remaining assets in the account, and all of the investable assets of FB.

35. The EVBLX fund's objective was to provide "a high level of current income." The risk analysis section of the EVBLX prospectus and fact sheet described the mutual fund as one "which invests primarily in below-investment-grade debt obligations, which are considered speculative because of the increased credit risk of their issuers."

36. The EVBLX purchase represented a shift of the assets in the FB account from a conservative, FDIC-insured, money-market type of investment with little risk to principal to a riskier mutual fund investment.

37. By October 2008, the mutual fund investment in FB's account had lost approximately \$25,000, or nearly 20 percent of its original value. The \$126,000 investment had declined to \$100,894.

38. FB complained to CGMI and the firm paid FB \$11,500 in restitution.
39. FB did not approve or authorize Martin's purchase of 12,000 shares of EVBLX for the FB account.
40. By purchasing the mutual fund shares without authorization from FB, Martin violated NASD Rules 2110 and IM-2310-2(b).

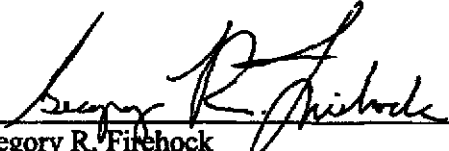
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed.
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: August 10, 2010


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Martin's Unauthorized Trades in the BDC Fixed Income Account

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	Trade Date	Buy/ Sell	Investment Product	Quantity	Price Per Share (\$)	Amount (\$)
1	4/5/2006	B	Eaton Vance Tax-Managed Global Fund	1,100.00	18.15	19,965.00
2	4/5/2006	B	ING Clarion Global Real Estate Income Fund	1,068.00	18.72	19,992.96
3	4/21/2006	B	ING Clarion Global Real Estate Income Fund	133	18.21	2,421.93
4	6/12/2006	S	ING Clarion Global Real Estate Income Fund	600	17.502	(10,500.69)
5	9/28/2006	B	ING Clarion Global Real Estate Income Fund	198	20.15	3,989.70
6	10/20/2006	B	ING Clarion Global Real Estate Income Fund	41	21.48	880.68
7	10/26/2006	B	ING Global Equity Dividend Premium Opportunity Fund	1,000.00	20.595	20,595.00
8	11/2/2006	B	ING Clarion Global Real Estate Income Fund	21,778.45	9.84	214,300.00
9	11/3/2006	S	ING Clarion Global Real Estate Income Fund	822	20.7	(17,014.87)
10	11/8/2006	B	ING Clarion Global Real Estate Income Fund	822	20.95	17,220.90
11	12/20/2006	B	Eaton Vance Medallion Floating Rate Income Fund CL A	2,030.45	9.85	20,000.00
12	12/20/2006	B	Eaton Vance Tax-Managed Global Fund	750	20.09	15,067.50
13	1/11/2007	B	ING Clarion Global Real Estate Income Fund	150	22.51	3,376.50
14	1/12/2007	S	Eaton Vance Medallion Floating Rate Income Fund CL A	12,803.19	9.86	(126,000.00)

	Trade Date	Buy/ Sell	Investment Product	Quantity	Price Per Share (\$)	Amount (\$)
15	1/22/2007	S	Eaton Vance Medallion Floating Rate Income Fund CL A	5,116.86	9.87	(50,000.00)
16	1/24/2007	B	ELKS: Citigroup Funding Inc. 12.75% ELKS Based Upon Advanced Micro Devices (Due 2/6/2008)	2,500.00	10	25,000.00
17	1/31/2007	B	ING Clarion Global Real Estate Income Fund	600	23.77	14,262.00
18	1/31/2007	B	ING Global Equity Dividend Premium Opportunity Fund	300	21.37	6,411.00
19	2/22/2007	B	ELKS: Citigroup Funding Inc. ELK 8% Based Upon Starbucks Corp (Due 3/6/2008)	5,000.00	10	50,000.00
20	2/22/2007	B	Eaton Vance Tax-Managed Global Fund	2,380.00	20	47,600.00
21	3/1/2007	S	Eaton Vance Medallion Floating Rate Income Fund CL A	1,243.68	9.89	(12,300.00)
22	3/21/2007	S	Eaton Vance Medallion Floating Rate Income Fund CL A	4,971.64	9.88	(49,119.82)
23	3/22/2007	S	Eaton Vance Tax-Managed Global Fund	1,921.00	19.42	(37,305.24)
24	3/22/2007	B	ING Clarion Global Real Estate Income Fund	475	21.652	10,284.75
25	3/23/2007	B	ELKS: Citigroup Funding Inc. 9.25% ELKS Based Upon Intel Corp (Due 4/4/2008)	4,900.00	10	49,000.00
26	4/20/2007	B	ELKS: Allegro Investments Corp ELKS Based Upon the Common Stock of Apple, Inc. 10.25% (Due 5/6/2008)	500	100	50,000.00
27	5/4/2007	S	ING Clarion Global Real Estate Income Fund	339	22.66	(7,681.62)
28	5/4/2007	S	ING Clarion Global Real Estate Income Fund	66	22.66	(1,495.53)

	Trade Date	Buy/Sell	Investment Product	Quantity	Price Per Share (\$)	Amount (\$)
29	5/23/2007	B	ELKS: Citigroup Funding Inc. 10.85% ELKS Based Upon NYSE EURONEXT (Due 6/6/2008)	5,000.00	10	50,000.00
30	5/30/2007	S	ING Clarion Global Real Estate Income Fund	1,791.00	21.59	(38,667.09)
31	5/30/2007	S	ING Clarion Global Real Estate Income Fund	1	21.53	(21.52)
32	6/12/2007	S	ING Clarion Global Real Estate Income Fund	8	20.72	(165.75)
33	6/12/2007	S	ING Global Equity Dividend Premium Opportunity Fund	1,358.00	20.121	(27,324.17)
34	6/22/2007	B	ELKS: Citigroup FDG Inc. ELKS 12.5% PA Based Upon the Common Stock of Yahoo, Inc. (Due 1/8/2008)	6,400.00	10	64,000.00
35	7/24/2007	B	ELKS: Citigroup FDG Inc. 13.0% PA ELKS Linked to Apple, Inc. (Due 2/5/2008)	5,000.00	10	50,000.00
36	7/24/2007	B	ELKS: Citigroup FDG Inc. 13.50% PA ELKS LKD to Countrywide FINL (Due 2/5/2008)	5,000.00	10	50,000.00
37	8/14/2007	B	ING Clarion Global Real Estate Income Fund	1,200.00	16.718	20,061.00
38	8/30/2007	S	ING Clarion Global Real Estate Income Fund	1,200.00	18.23	(21,875.66)
39	9/21/2007	B	ELKS: Citigroup FDG Inc. 9.0% PA ELKS LKD to Texas Instruments (Due 10/3/2008)	2,200.00	10	22,000.00
40	10/25/2007	B	ELKS: Citigroup FDG Inc. 14.5% PA ELKS LKD to America MOVIL SAB DE CV	6,600.00	10	66,000.00
41	12/7/2007	S	Eaton Vance Tax-Managed Global Fund	2,380.00	17	(39,740.93)
42	12/17/2007	B	ELKS: Citigroup FDG Inc. 8.00% PA PACERS Linked to ISHARES FXI (Due 6/26/2009)	7,000.00	10	70,000.00

	Trade Date	Buy/ Sell	Investment Product	Quantity	Price Per Share (\$)	Amount (\$)
43	1/24/2008	B	ELKS: Citigroup Funding Inc. 14.50% PA ELKS Based Upon the Common Stk of Yahoo, Inc. (Due 8/7/2008)	6,500.00	10	65,000.00
44	1/25/2008	S	Eaton Vance Tax-Managed Global Fund	61	16.43	(927.21)
45	2/25/2008	B	ELKS: Citigroup FDG Inc. ELKS 13.5% PA Based Upon the Common Stock of Apple Inc.	5,000.00	10	50,000.00
46	5/16/2008	B	ELKS: Citigroup FDG Inc. ELKS 11.50% PA Based Upon the ADRS of CEMEX SAB DE CB (Due 11/20/2008)	5,000.00	10	50,000.00
47	5/23/2008	B	ELKS: Citibank MLD Linked to the S&P 500 Index FDIC DTD 5/29/2008 (Due 12/4/2009)	350	100	35,000.00
48	6/10/2008	B	ING Clarion Global Real Estate Income Fund	1,700.00	14.699	24,993.13
49	7/10/2008	B	ING Clarion Global Real Estate Income Fund	300	12.178	3,658.34
50	7/15/2008	B	ING Clarion Global Real Estate Income Fund	500	11.1	5,555.00

Example of Monthly Summary and Accompanying E-mail Sent to BDC (Redacted)

Marco A Martin

From: Martin, Marco A [GWM-SBPVTC]
Sent: Tuesday, April 03, 2007 9:29 PM
To: cgh@[REDACTED].com; ac@[REDACTED].com
Subject: Rendimientos

A [REDACTED]

Te envio los rendimientos de Marzo 07. Te comento que aun no hay cambios en el portafolio de ETF's Internacionales, ahi te aviso cuando los haya.

Te voy a llamar para comentar lo de la oportunidad del fondo inmobiliario en China.

Saludos,

Marco A. Martin

Second Vice President-Investments

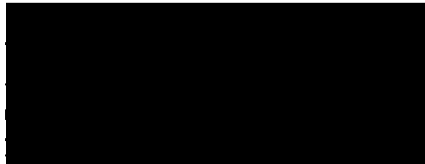
Financial Planning Specialist

Blue Chip Council

Financial Consultant

> SMITH BARNEY

> A member of citigroup



Web Site: <http://www.smithbarney.com>

This information has been obtained from sources believed reliable, but we do not guarantee its accuracy, and such information may be incomplete or condensed. Any offerings contained herein are subject to change and/or prior sale.

<<B[REDACTED]Mar07.xls>>

B [REDACTED] d [REDACTED] C [REDACTED]

31 de Marzo de 2007

Cuenta	Descripción	Saldo a Dic. 31, 2006	Saldo a Marzo 31, 2007	Rendimiento	Notas
[REDACTED]	Renta Fija	893,090.16 -125,000.00 768,090.16	755,885.60	-1.59%	Rendimiento por Flujo 8.50%
[REDACTED]	Hedge Fund UBP Asset Management	625,569.10	651,776.10	4.18%	
[REDACTED]	NWQ Internacional Equity Asset Management	389,560.39	394,878.81	1.37%	
[REDACTED]	Hedge Funds Warrington 287m Gartmore LTD 125m Cayon LTD 125m	581,422.76	578,527.21 298m 133m 136m	-0.84%	
[REDACTED]	Guided Portfolio Management Equity Asset Management Portafolio Oportunidad	731,721.69 125,000.00 + 856,721.69	871,487.52	1.72%	Portafolio de Indices Globales Comenzo 1/12/07 con 125m Hoy Vale \$130,010
Total		3,221,364.10	3,250,555.24	0.91%	

Standard & Poor's 500	0.18%
Dow Jones	-0.87%
NASDAQ	0.28%

SMITHBARNEY
citigroup

Office of: Mauro Martin

MOX

**Martin's Misleading Monthly Summaries:
TOTAL VALUES FOR BDC ACCOUNTS
(Inflated account values in boldface)**

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	Enroll Date	Date of Martin's Summary	Date of CCM's Consolidated Statement	Total Values as per Martin's Summaries (\$)	Total Values as per CCM's Consolidated Statements (\$)	Differences in Values (\$)
1	3/6/2007	2/28/2007	2/28/2007	3,209,799.42	3,199,798.12	10,001.30
2	4/3/2007	3/31/2007	3/31/2007	3,250,555.24	3,229,716.64	20,838.60
3	5/1/2007	4/30/2007	4/30/2007	3,288,601.89	3,283,477.79	5,124.10
4	5/31/2007	5/31/2007	5/31/2007	3,346,741.18	3,617,304.59	-270,563.41 ¹
5	7/1/2007	6/30/2007	6/30/2007	3,375,744.87	3,352,734.08	23,010.79
6	8/1/2007	7/31/2007	7/31/2007	3,341,864.84	3,294,748.71	47,116.13
7	9/5/2007	8/31/2007	8/31/2007	3,327,424.86	3,279,064.79	48,360.07
8	10/3/2007	9/3/2007	9/30/2007	3,428,040.75	3,366,040.98	61,999.77
9	11/2/2007	10/31/2007	10/31/2007	3,491,665.31	3,434,647.97	57,017.34
10	12/3/2007	11/30/2007	11/30/2007	3,452,842.89	3,356,950.03	95,892.86
11	1/2/2008	12/31/2007	12/31/2007	3,413,575.55	3,312,975.70	100,599.85
12	2/1/2008	1/31/2008	1/31/2008	3,316,765.46	3,220,302.43	96,463.03
13	3/3/2008	2/29/2008	2/29/2008	3,270,094.31	3,178,527.96	91,566.35
14	4/1/2008	3/31/2008	3/31/2008	3,254,555.79	3,156,223.45	98,332.34
15	5/1/2008	4/30/2008	4/30/2008	3,292,484.09	3,231,905.14	60,578.95
16	6/2/2008	5/31/2008	5/31/2008	3,337,237.16	3,272,396.79	64,840.37
17	7/3/2008	6/30/2008	6/30/2008	3,224,476.34	3,114,576.28	109,900.06

¹ The account value difference for May 31, 2007 appears to have been further distorted by Martin's failure to properly account for a \$250,000 cash deposit in one of the accounts. The \$250,000 was withdrawn the following month.

**Martin's Misleading Monthly Summaries:
BDC's FIXED INCOME ACCOUNT [REDACTED]
(Inflated account values in boldface)**

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Final Date	Date of Martin's Summary	Date of CCM's Consolidated Statement	Martin's Value of Acc. (\$)	CCM's Value of Acc. (\$)	Differences in Values for Acc. (\$)
1 3/6/2007	2/28/2007	2/28/2007	757,465.83	747,465.83	10,000.00
2 4/3/2007	3/31/2007	3/31/2007	755,885.60	745,986.71	9,898.89
3 5/1/2007	4/30/2007	4/30/2007	762,797.30	760,855.49	1,941.81
4 5/31/2007	5/31/2007	5/31/2007	777,489.53	758,644.42	18,845.11
5 7/1/2007	6/30/2007	6/30/2007	775,673.90	748,662.89	27,011.01
6 8/1/2007	7/31/2007	7/31/2007	768,090.16	734,793.86	33,296.30
7 9/5/2007	8/31/2007	8/31/2007	765,390.00	717,020.54	48,369.46
8 10/3/2007	9/3/2007	9/30/2007	786,938.23	724,938.46	61,999.77
9 11/2/2007	10/31/2007	10/31/2007	784,581.24	727,565.35	57,015.89
10 12/3/2007	11/30/2007	11/30/2007	772,347.80	676,454.58	95,893.22
11 1/2/2008	12/31/2007	12/31/2007	756,426.71	655,726.78	100,699.93
12 2/1/2008	1/31/2008	1/31/2008	743,021.11	646,557.92	96,463.19
13 3/3/2008	2/29/2008	2/29/2008	726,291.14	634,724.95	91,566.19
14 4/1/2008	3/31/2008	3/31/2008	715,426.71	617,451.84	97,974.87
15 5/1/2008	4/30/2008	4/30/2008	716,814.34	656,135.30	60,679.04
16 6/2/2008	5/31/2008	5/31/2008	720,624.40	655,773.91	64,850.49
17 7/3/2008	6/30/2008	6/30/2008	715,341.29	605,647.84	109,693.45

**Martin's Misleading Monthly Summaries:
BDC's GPM ACCOUNT [REDACTED]
(Inflated account values in boldface)**

Department of Enforcement v. Marco A. Martin, Discip. Proc. No. 200801482901

	Email Date	Date of Martin's Summary	Date of GPM's Consolidated Statement	Martin's Value of Account (\$)	GPM's Value of Account (\$)	Difference in Value of Account (\$)
1	3/6/2007	2/28/2007	2/28/2007	850,401.56	850,401.26	0.30
2	4/3/2007	3/31/2007	3/31/2007	871,487.52	865,101.38	6,386.14
3	5/1/2007	4/30/2007	4/30/2007	895,761.20	895,761.20	0.00
4	5/31/2007	5/31/2007	5/31/2007	915,013.00	918,345.93	-3,332.93 ¹
5	7/1/2007	6/30/2007	6/30/2007	916,301.01	916,301.01	0.00
6	8/1/2007	7/31/2007	7/31/2007	1,044,489.13	1,044,489.13	0.00
7	9/5/2007	8/31/2007	8/31/2007	1,037,304.68	1,037,304.68	0.00
8	10/3/2007	9/3/2007	9/30/2007	1,077,955.70	1,077,955.70	0.00
9	11/2/2007	10/31/2007	10/31/2007	1,119,073.33	1,119,073.33	0.00
10	12/3/2007	11/30/2007	11/30/2007	1,070,421.55	1,070,421.55	0.00
11	1/2/2008	12/31/2007	12/31/2007	1,059,318.58	1,059,318.59	-0.01
12	2/1/2008	1/31/2008	1/31/2008	1,000,952.06	1,000,952.06	0.00
13	3/3/2008	2/29/2008	2/29/2008	977,161.69	977,161.69	0.00
14	4/1/2008	3/31/2008	3/31/2008	977,398.26	977,398.26	0.00
15	5/1/2008	4/30/2008	4/30/2008	1,006,447.98	1,006,447.98	0.00
16	6/2/2008	5/31/2008	5/31/2008	1,018,856.72	1,018,856.72	0.00
17	7/3/2008	6/30/2008	6/30/2008	924,777.16	923,650.13	1,127.03

¹ The account value difference for May 31, 2007 appears to have been further distorted by Martin's failure to properly account for a \$250,000 cash deposit in one of the accounts. The \$250,000 was withdrawn the following month.

**Martin's Misleading Monthly Summaries:
BDC's HEDGE FUNDS ACCOUNT [REDACTED]
(Inflated account values in boldface)**

Department of Enforcement v. Marco A. Martin, Discip. Proc. No. 200801482901

	Email Date	Date of Martin's Summary	Date of CGMT's Consolidated Statement	Martin's Value of Acct. (\$)	CGMT's Value of Acct. (\$)	Differences in Values for Acct. (\$)
1	3/6/2007	2/28/2007	2/28/2007	568,983.91	568,983.91	0.00
2	4/3/2007	3/31/2007	3/31/2007	576,527.21	574,082.70	2,444.51
3	5/1/2007	4/30/2007	4/30/2007	573,059.45	573,059.45	0.00
4	5/31/2007	5/31/2007	5/31/2007	580,084.98	579,529.51	555.47 ¹
5	7/1/2007	6/30/2007	6/30/2007	597,602.80	597,602.90	-0.10
6	8/1/2007	7/31/2007	7/31/2007	585,947.23	585,947.28	-0.05
7	9/5/2007	8/31/2007	8/31/2007	592,193.51	592,193.35	0.16
8	10/3/2007	9/3/2007	9/30/2007	601,034.89	601,034.89	0.00
9	11/2/2007	10/31/2007	10/31/2007	614,706.61	614,706.31	0.30
10	12/3/2007	11/30/2007	11/30/2007	639,617.00	639,617.21	-0.21
11	1/2/2008	12/31/2007	12/31/2007	642,298.91	642,298.91	0.00
12	2/1/2008	1/31/2008	1/31/2008	622,162.55	622,162.56	-0.01
13	3/3/2008	2/29/2008	2/29/2008	621,048.62	621,048.63	-0.01
14	4/1/2008	3/31/2008	3/31/2008	626,298.91	626,874.33	-575.42
15	5/1/2008	4/30/2008	4/30/2008	629,290.27	629,290.28	-0.01
16	6/2/2008	5/31/2008	5/31/2008	645,622.58	645,622.59	-0.01
17	7/3/2008	6/30/2008	6/30/2008	653,711.51	653,825.09	-113.58

¹ The account value difference for May 31, 2007 appears to have been further distorted by Martin's failure to properly account for a \$250,000 cash deposit in one of the accounts. The \$250,000 was withdrawn the following month.

**Martin's Misleading Monthly Summaries:
BDC's NWQ INTERNACIONAL ACCOUNT**
(Inflated account values in boldface)

Department of Enforcement v. Marco A. Martin, Discip. Proc. No. 200801482901

	Final Date	Date of Martin's Summary	Date of CGMI's Consolidated Statement	Martin's Value of Asset (\$)	CGMI's Value of Asset (\$)	Difference in Values for Asset (\$)
1	3/6/2007	2/28/2007	2/28/2007	386,326.02	386,325.02	1.00
2	4/3/2007	3/31/2007	3/31/2007	394,878.81	392,769.75	2,109.06
3	5/1/2007	4/30/2007	4/30/2007	398,909.84	395,727.55	3,182.29
4	5/31/2007	5/31/2007	5/31/2007	407,132.57	409,059.62	-1,972.05 ¹
5	7/1/2007	6/30/2007	6/30/2007	406,306.06	410,306.18	-4,000.12
6	8/1/2007	7/31/2007	7/31/2007	406,306.06	399,259.34	7,046.72
7	9/5/2007	8/31/2007	8/31/2007	394,804.96	394,804.65	0.31
8	10/3/2007	9/3/2007	9/30/2007	424,357.32	424,357.32	0.00
9	11/2/2007	10/31/2007	10/31/2007	437,931.81	437,930.81	1.00
10	12/3/2007	11/30/2007	11/30/2007	425,523.10	425,523.25	-0.15
11	1/2/2008	12/31/2007	12/31/2007	415,011.62	415,011.69	-0.07
12	2/1/2008	1/31/2008	1/31/2008	408,881.94	408,882.09	-0.15
13	3/3/2008	2/29/2008	2/29/2008	409,412.04	409,412.13	-0.09
14	4/1/2008	3/31/2008	3/31/2008	393,445.79	393,445.84	-0.05
15	5/1/2008	4/30/2008	4/30/2008	410,329.87	410,329.95	-0.08
16	6/2/2008	5/31/2008	5/31/2008	422,008.58	422,008.69	-0.11
17	7/3/2008	6/30/2008	6/30/2008	395,076.43	395,883.55	-807.12

¹ The account value difference for May 31, 2007 appears to have been further distorted by Martin's failure to properly account for a \$250,000 cash deposit in one of the accounts. The \$250,000 was withdrawn the following month.