

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009018362901**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Robert Martin Martinez, Respondent
Investment Company Products/Variable Contracts Representative
CRD No. 2535606

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Robert Martin Martinez, submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Martinez was associated with Centaurus Financial, Inc. ("the Firm") as an Investment Company Products/Variable Contracts Representative from March 6, 1997 through June 8, 2009, when he was terminated. He entered the securities industry in August 1994 as an associated person of another broker-dealer. He has not been associated with a broker-dealer since he left the Firm. He has no disciplinary history.

OVERVIEW

Martinez improperly used \$20,000.00 of a non-customer's funds. In addition, he willfully failed to disclose a felony charge of Misapplication of Fiduciary Funds on his Form U4 and failed to timely respond to Rule 8210 requests issued by FINRA staff.

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FACTS AND VIOLATIVE CONDUCT

Improper Use of Non-Customer Funds (NASD Conduct Rule 2110)

In or about April 2006, Martinez received \$20,000.00 from RM, who was not a customer of the Firm. The funds were intended for investment and consisted of two checks, each in the amount of \$10,000.00, made payable to Martinez's wife, PM. Martinez improperly used the funds received from RM by spending the money for his personal use. As a result, Martinez failed to observe high standards of commercial honor and just and equitable principles of trade, in violation of NASD Conduct Rule 2110.

Willful Failure to Amend Form U4 (FINRA Conduct Rule 2010, IM-1000-1, and Article V, Section 2(c) of FINRA's By-Laws)

On April 23, 2009, while he was associated with the Firm, Martinez was indicted on a felony charge of Misapplication of Fiduciary Funds related to his improper use of the \$20,000.00 that he received from RM (*The State of Texas v. Robert Martin Martinez*, Cause No. 5418, 109th Judicial District Court of Andrews County, Texas). On November 10, 2009, Martinez pleaded guilty to the felony charge. Martinez willfully failed to amend his Form U4 to disclose the felony charge. As a result, Martinez violated FINRA Conduct Rule 2010, IM-1000-1, and Article V, Section 2(c) of FINRA's By-Laws.

Failure to Timely Respond to Rule 8210 Requests (FINRA Rules 8210 and 2010)

On June 23, 2009, FINRA staff sent a letter to Martinez, pursuant to Rule 8210, requesting a statement, documents, and information concerning a Form U5 filing by the Firm. The Form U5, dated June 8, 2009, reported that Martinez had been terminated because he was "indicted for missapplication [sic] of fiduciary funds." The Rule 8210 letter was sent by first class and certified mail to Martinez's CRD address and requested a response by July 23, 2009. Martinez did not respond to the letter. On August 24, 2009, FINRA staff sent a second letter, pursuant to Rule 8210, requesting the same information as in the first letter. The second letter was sent by first class and certified mail to Martinez's CRD address and to an alternate address identified by the staff, and requested a response by September 8, 2009. Martinez did not respond to the letter.

On December 16, 2009, FINRA staff initiated a Rule 9552 proceeding against Martinez for his failure to respond to the staff's Rule 8210 letters. On or about January 8, 2010, FINRA staff received a written response from Martinez to the Rule 8210 letters referenced above.

As a result of his failure to timely respond to the Rule 8210 letters, Martinez violated FINRA Rules 8210 and 2010.

- B. I also consent to the imposition of the following sanctions:

A bar from association with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended.

Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

I understand that this settlement includes a finding that I willfully omitted to state a material fact on a Form U4, and that under Section 15(b)(4)(A) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes me subject to a statutory disqualification with respect to association with a member.

Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or

body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

May 6 2010

Date (mm/dd/yyyy)

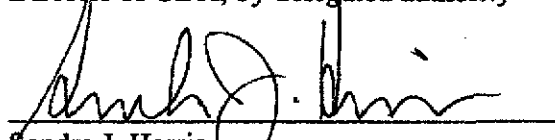

Robert Martin Martinez
Respondent

Accepted by FINRA:

5/18/10

Date

Signed on behalf of the
Director of ODA, by delegated authority


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