

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85703 / April 22, 2019

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4042 / April 22, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-15747

In the Matter of
David M. Martin, CPA

: ORDER GRANTING APPLICATION FOR
: REINSTATEMENT TO APPEAR AND PRACTICE
: BEFORE THE COMMISSION AS AN ACCOUNTANT
: RESPONSIBLE FOR THE PREPARATION OR
: REVIEW OF FINANCIAL STATEMENTS REQUIRED
: TO BE FILED WITH THE COMMISSION

On February 11, 2014, David M. Martin, CPA (“Martin”) was suspended from appearing or practicing before the Commission as an accountant as a result of settled public administrative proceedings instituted by the Commission against him pursuant to Rule 102(e)(3) of the Commission’s Rules of Practice.¹ This order is issued in response to Martin’s application for reinstatement to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

The Commission found that Martin had been permanently enjoined by a United States District Court from future violations of Section 13(b)(5) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 13b2-1 and 13b2-2 thereunder, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder in an action brought by the Commission. In its complaint in the injunctive action, the Commission alleged that Martin, while serving as the Chief Financial Officer of Life Partners Holdings, Inc. (“LPHI”), played a role in LPHI’s misleading of shareholders by failing to disclose that the company was systematically and materially underestimating the life expectancy estimates it used to price certain transactions. Life expectancy estimates were a critical factor impacting the company’s revenues and profit margins as well as the company’s ability to generate profits for its shareholders. The Commission further alleged that Martin was involved in disclosure violations and improper accounting that LPHI

¹ See Accounting and Auditing Enforcement Release No. 3534 dated February 11, 2014. Martin was permitted, pursuant to the order, to apply for reinstatement after three years upon making certain showings.

used to overvalue assets held on the company's books and create the appearance of a steady stream of earnings from brokering life settlement transactions.

In his capacity as a preparer or reviewer, or as a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, Martin attests that he will undertake to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, while practicing before the Commission in this capacity. Martin is not, at this time, seeking to appear or practice before the Commission as an independent accountant. If he should wish to resume appearing and practicing before the Commission as an independent accountant, he will be required to submit an application to the Commission showing that he has complied and will comply with the terms of the original suspension order in this regard. Therefore, Martin's suspension from practice before the Commission as an independent accountant continues in effect until the Commission determines that a sufficient showing has been made in this regard in accordance with the terms of the original suspension order.

Rule 102(e)(5) of the Commission's Rules of Practice governs applications for reinstatement, and provides that the Commission may reinstate the privilege to appear and practice before the Commission "for good cause shown."² This "good cause" determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Martin, it appears that he has complied with the terms of the February 11, 2014 order suspending him from appearing or practicing before the Commission as an accountant, that no information has come to the attention of the Commission relating to his character, integrity, professional conduct or qualifications to practice before the Commission that would be a basis for adverse action against him pursuant to Rule 102(e) of the Commission's Rules of Practice, and that Martin, by undertaking to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, in his practice before the Commission as a preparer or reviewer of financial statements required to be filed with the Commission, has shown good cause for reinstatement. Therefore, it is accordingly,

² Rule 102(e)(5)(i) provides:

"An application for reinstatement of a person permanently suspended or disqualified under paragraph (e)(1) or (e)(3) of this rule may be made at any time, and the applicant may, in the Commission's discretion, be afforded a hearing; however, the suspension or disqualification shall continue unless and until the applicant has been reinstated by the Commission for good cause shown." 17 C.F.R. § 201.102(e)(5)(i).

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that David M. Martin, CPA is hereby reinstated to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

By the Commission.

Vanessa A. Countryman
Acting Secretary