

Mr Martyn Paul Gordon

29th July 2016

General, Banking, Insurance, Investment, Fiduciary, Consumers, Public Statements

The Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as amended (“the Financial Services Commission Law”)
The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “POI Law”),
The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc, (Bailiwick of Guernsey) Law, 2000, as amended (the “Fiduciaries Law”),
The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended (the “IMII Law”),
The Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended (the “Banking Law”), and
The Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended (the “Insurance Business Law”)

Mr Martyn Paul Gordon (“Mr Gordon”)

On 17 August 2015 the Guernsey Financial Services Commission (“the Commission”) decided:

1. to impose a financial penalty of £45,000 under Section 11D of the Financial Services Commission Law on Mr Gordon;
2. to prohibit Mr Gordon from performing any function under the POI Law, the Fiduciaries Law, the Banking Law, the IMII Law, and the Insurance Business Law for a period of 14 years;
3. to make this public statement under Section 11C of the Financial Services Commission Law.
4. to disapply the exemption set out in Section 3(1)(g) of the Fiduciaries Law in respect of Mr Gordon.

The Commission considered it reasonable and necessary to make these decisions having concluded that Mr Gordon failed to fulfil the fit and proper requirements set out in paragraph 3 of schedule 1 (minimum criteria for licensing) of the Fiduciaries Law [see (i) below] by actions he undertook whilst employed as a Director of a licensee.

The background to these decisions is that;

In May 2015 the Commission became aware that Mr Gordon had been dismissed as a Director from a licensee for ‘an act of gross misconduct’.

As a result of its enquiries, the Commission found that:

Mr Gordon was dismissed for the deliberate misappropriation of client funds involving the transfer of £1,000,000 between two unrelated trusts between the period of October 2014 and March 2015 and;

Mr Gordon admitted to transferring a total of £114,839.90 from four unrelated entities to pay the legal fees of another client who had made allegations against the licensee in relation to a trust structure they managed. Mr Gordon stated he had not told anyone at the licensee about this agreement.

Mitigating Factors

At all material times, Mr Gordon was co-operative with the Commission and assisted with its enquiries.

Mr Gordon has made a substantial financial contribution in order to rectify losses and costs incurred by the licensee.

Mr Gordon has not made any personal financial gain out of the transactions.

In reaching its decision, the Commission has taken into account that Mr Gordon agreed to settle at an early stage of the process and this has been taken into account by applying a discount in setting the financial penalty.

(i) And also Schedule 4 of the POI Law, Schedule 4 of the IMII Law, Schedule 3 of the Banking Law and Schedule 7 of the Insurance Business Law,
sets out the minimum criteria under these laws.