STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: ROBERT L. SAVAGE	)	FILE NO. 0500466

NOTICE OF HEARING

TO THE RESPONDENT: Robert L. Savage (CRD#: 815336)
8326 Glenwood Avenue
Oklahoma City, Oklahoma 73114

C/o Leonard Securities, Inc.
2601 N.W. Expressway
Suite 1201 W
Oklahoma City, Oklahoma 73112-7208

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 23rd day of August, 2006 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky, Esq. or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking Robert L. Savage's (the "Respondent") registration as a salesperson in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act. He also serves in the capacity as his firm's Illinois Designated Principal.

2. That on August 16, 2005, NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. E052004004203 which sanctioned the Respondent as follows:

   a. fined $10,000, which is to be assessed against the Respondent and Leonard Securities, Inc., jointly and severally;

   b. 10 business-day suspension from association with any NASD member in any principal capacity; and

   c. Leonard Securities, Inc. and the Respondent shall pay restitution in the total amount of $14,159.00 plus interest.

3. That the AWC found:

   a. During the period on or about April 11, 2002, through on or about January 9, 2003, Paul A. Raisig recommended and effected 36 mutual fund transactions in the accounts of four public customers without having a reasonable basis for the recommendation. Specifically, Raisig liquidated mutual fund A shares to purchase mutual fund T shares, needlessly incurring a charge for the purchase of the T shares. Raisig later sold the T shares to repurchase A share mutual funds, again needlessly incurring a charge for the sale of the mutual fund T shares sales and the repurchase of the mutual fund A shares. Raisig could have accomplished his customers' objectives by exercising exchange privileges that resulted in no charges to the customers. Raisig's failure to exercise the exchange privileges resulted in total overcharges to the customers of $14,159.

      Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2310 (a) and 2110 by Paul A. Raisig.

   b. During the period on or about April 11, 2002, through on or about January 9, 2003, Leonard Securities, Inc., acting through its president Respondent Robert L. Savage, failed to establish, maintain, and enforce a system of supervision reasonably designed to ensure compliance with NASD Conduct Rule 2310. Leonard Securities, Inc. had no system, other than review of daily order tickets and monthly customer statements, designed to detect mutual fund switching and short-term trading of mutual funds. Reviews of daily order tickets were inadequate because mutual fund sale and purchase transactions were often entered on different days. Reviews of monthly customer statements were inadequate because the statements did not disclose commission charges or the mutual fund purchase date.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 3010(a) and 2110 by Leonard Securities and Respondent, Robert L. Savage.

4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.

5. That NASD is a self-regulatory organization as specified in Section 8.E(l)(j) of the Act.

6. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

You are further notified that you are required pursuant to Section 130.1104of the Rules and Regulations (14 ILL. Adm. Code 130)(the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 6th day of July 2006.

Jesse White /mb

JESSE WHITE
Secretary of State
State of Illinois

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