

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: GENEVA SECURITIES, INC.,
DIRECTORS, EMPLOYEES,
AFFILIATES, SUCCESSORS,
AGENTS AND RICHARD M.
EISENMENGER, LEROY K.
MESSENGER

FILE NO. 0000233

ORDER OF PROHIBITION AND FINE

TO THE RESPONDENTS:

Geneva Securities, Inc.
1827 Walden Office Square
Suite 550
Schaumburg, Ill 60173

Richard M. Eisenmenger
10102 Country Club Rd.
Woodstock, Ill 60098

Leroy K. Messenger
32 Hastings Ave.
Elk Grove Village, Ill 60007

WHEREAS, the record of the above captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, Jon K. Ellis, in the above-captioned matter have been read and examined; and

WHEREAS, the proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The evidence, exhibits and testimony have been offered and received from all parties and a proper record of

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all proceedings has been made and preserved as required.

2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State, Illinois Securities Department have jurisdiction over the parties herein and the subject matter dealt with herein, due and proper notice having been previously given as required by statute in this case.
4. As no answer, special appearance or other responsive pleading was file the Respondents are therefore deemed to be in default.
5. That Geneva Securities, Inc. ("Geneva") is a now defunct Dealer previously registered with the Securities and Exchange Commission ("SEC") and the Illinois Securities Department and Richard M. Eisenmenger ("Eisenmenger") and Leroy K. Messenger ("Messenger") were officers and/or directors of Geneva;
6. That Respondents Geneva Securities, Inc., Richard M. Eisenmenger and Leroy K. Messenger induced Illinois residents to purchase certain securities as detailed and documented in the Department's pleadings, exhibits and the Final Judgments and Orders of Permanent Injunction and Other Relief entered in Cause No. 01-C-7506 by the U.S. Judge for the United States District Court for the Northern District of Illinois, Eastern Division, and the Respondents' actions, statements, representations, and/or omissions tended to work a fraud upon Illinois purchaser, were untrue or misleading or omitting of material facts, and were made to obtain money from Illinois purchasers.
7. That Section 12.F of the Act (815 ILCS 5/12.F) provides, inter alia, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale of or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof;
8. That Section 12.G of the Act (815 ILCS 5/12.G) provides, inter alia, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue

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statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

9. That by virtue of the foregoing, Respondents Geneva Securities, Inc., Richard M. Eisenmenger and Leroy K. Messenger have violated Sections 12.F and 12.G of the Act.
10. That Section 11.E(2) of the Act (815 ILCS 5/11.E(2)) provides, *inter alia*, that if the Secretary of State shall find that any person has violated subsection F of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change of circumstances justifying the amendment or termination of the order of permanent prohibition;
11. That Section 11.E(4) of the Act provides (815 ILCS 5/11.E.(4)), *inter alia*, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.
12. The entry of a Final Order of Prohibition and fine of up to \$10,000 per violation is proper in this case, given the conduct of Respondents Geneva Securities, Inc., Richard M. Eisenmenger and Leroy K. Messenger as described in Secretary of State Exhibits No. 1-5, as well as the fact that said Respondents failed to appear at the hearing and properly answer the Notice of Hearing.
13. That based upon the Respondent's Exhibit 1, Respondent Leroy K. Messenger does not have sufficient financial resources to pay any fine imposed pursuant to Section 11.E(4) of the Ac.

WHEREAS, the proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. After proper notification, the Complainant may proceed with a hearing in the Respondent's absence. (735 ILCS 5/1-105 and 5/2-1301; Ryan v. Bening, 1978, 22 Ill. Dec. 873, 66 Ill. App.3d 127, 383 N.E.2d 681; Koenig v.

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Nardullo, 1968, 99 Ill. App. 480, 241 N.E.2d 567; In Re the Marriage of Garde, 1983, 73 Ill. Dec. 816, 118 Ill. App. 3d 303, 454 N.E. 2d 1065.) Significantly, the Notice of Hearing outlines that a default judgment may be entered against a Respondent who fails to appear or answer the charges.

2. The actions, statements, representations, and/or omissions of Respondents Geneva Securities, Inc., Richard M. Eisenmenger and Leroy K. Messenger that were made in connection with the offer or sale of securities and worked or tended to work a fraud or deceit upon Illinois purchases is a violation of 815 ILCS 5/12.F. The actions, representations, statements and/or omissions of Geneva Securities, Inc., Richard M. Eisenmenger and Leroy K. Messenger which were untrue, misleading or omitting of material facts and were made to obtain money from Illinois purchases is violation of 815 ILCS 5/12.G.
3. That by virtue of the foregoing, Respondents Geneva Securities, Inc., Richard M. Eisenmenger and Leroy K. Messenger are subject to an Order of permanent Prohibition in the State of Illinois, a \$10,000 fine for each violation of the Act, and/or granting such other relief as may be authorized under the Act.
4. Because of the findings of Fact, the pleadings, Exhibits and the Final Judgements and Orders of Permanent Injunction and Other Relief entered in Cause No. 01-C-7506 by the U.S. Judge for the Northern District of Illinois, Eastern Division admitted as Secretary of State Exhibits Nos. 1-5, as well as the fact that said Respondents failed to the Notice of Hearing or appear at the hearing, the entry of a written Order of Prohibition pursuant to 815 ILCS 5/11.E(2) which permanently prohibits the offer or sale of securities by Respondents Geneva Securities, Inc., Richard M. Eisenmenger and Leroy K. Messenger in the State of Illinois and the imposition of a \$20,000 fine pursuant to 815 ILCS 5/11.E(4) based upon two separate violations of the Act is proper in this Matter.




NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to the foregoing Findings of Fact, Conclusions of Law, and the Recommendations of the Hearing Officer, the Respondent, Geneva Securities, Inc., its officers, directors, employees, agents, affiliates, successors and assigns, and Richard M. Eisenmenger and Leroy K. Messenger are permanently prohibited from offering

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or selling securities in the State of Illinois, and further the Respondents, Richard M. Eisenmenger and Geneva Securities, Inc. are fined the sum of \$20,000 each to be paid by certified or cashier's check within ten (10) business days of the entry of this order.

ENTERED: This 27th day of June, 2003

JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.