

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: ROBERT L. SAVAGE )  
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 )

FILE NO. 0500446

**CONSENT ORDER OF DISMISSAL**

TO 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 73112-72

Skip Cunningham, Attorney At Law  
Dunn Swan & Cunningham  
2800 Oklahoma Tower, 210 Park Avenue,  
Oklahoma City, Oklahoma 73102

WHEREAS, Respondent on the 7<sup>th</sup> day of September 2006 executed a certain Stipulation to Enter Consent Order of Dismissal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Amended Notice of Hearing of the Secretary of State, Securities Department, dated August 30, 2006, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

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(1)(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.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

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.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that He will not serve in the capacity of Illinois Designated Principal for a period of two (2) years from the entry of this Consent Order.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of One Thousand Dollars (\$1,000.00), to be paid by certified or cashier's check made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that He has submitted with the Stipulation a certified or cashier's check in the Amount of One Thousand Dollars (\$1,000.00), to cover the costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

Consent Order of Dismissal


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WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent shall not act in the capacity of Illinois Designated Principal for a period of two (2) years from the entry of this Consent Order.
2. The Respondent is levied costs of investigation in this matter in the amount of One Thousand dollars (\$1,000.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on September 7<sup>th</sup>, 2006 has submitted One Thousand dollars (\$1,000.00) in payment thereof.
3. The Notice of Hearing dated August 30, 2006 is dismissed.

ENTERED: This 18<sup>th</sup> day of September 2006.

  
JESSE WHITE  
Secretary of State  
State of Illinois