

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Jasper E. Bidy IV (CRD No. 3212045), and  
Legacy Wealth Management, LLC (CRD No. 133078),

Respondents.

ODS File No. 07-098

**AGREEMENT**

**THIS AGREEMENT** is entered into between Jasper E. Bidy IV (“Jasper Bidy”), Legacy Wealth Management, LLC (“Legacy”) (collectively, “Respondents”) and the Administrator (“Administrator”) of the Oklahoma Department of Securities (“Department”) as of the Effective Date set forth below.

Pursuant to Section 1-410 of the Oklahoma Uniform Securities Act of 2004 (“Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), the Examinations Division of the Department conducted an inspection of Legacy and Bidy for the time period January 1, 2006, through April 30, 2007. Based thereon, the Enforcement Division of the Department recommended that the Administrator impose sanctions against Respondents (“Recommendation”). The Recommendation is attached hereto as “Attachment A” and is incorporated herein by reference.

Respondents desire to expeditiously settle this matter without the adjudication of any issue of law or fact. Respondents voluntarily waive their right to a hearing provided by the Act, the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities, and the Oklahoma Administrative Procedures Act.

**NOW THEREFORE**, the undersigned parties hereto agree as follows:

1. **Order.** The Administrator will issue an order in the form attached hereto as “Attachment B.”
2. **Revocation.** The investment adviser registration of Legacy Wealth Management, LLC (“Legacy”), shall be revoked, and Legacy shall be barred from transacting business in the state of Oklahoma as an investment adviser.
3. **Disposition Agreements.** Respondents shall notify the Department of any agreement between Jasper Bidy and/or Legacy and any other person relating to the disposition of client accounts. The Department will not oppose the sale of Respondents’ client accounts to a qualified and registered investment adviser and/or investment adviser representative.

4. **Suspension.** The investment adviser representative registration of Jasper Bidy shall be suspended, and Jasper Bidy shall be barred from transacting business in the state of Oklahoma as an investment adviser, investment adviser representative, broker-dealer, and/or agent for six (6) years from July 23, 2007. At the conclusion of the six (6) years, Jasper Bidy may apply for registration under the Act, or any successor act. The Department may not deny the application based upon any of the conduct that was alleged in the Recommendation to have occurred prior to July 23, 2007, and/or any of the conduct that was a part of the investigation and/or disciplinary proceedings and/or suspension of Jasper Bidy.

5. **Limitation.** For a time period of ten (10) years after Jasper Bidy has been registered as provided for in paragraph 4 above, he shall be prohibited from being a partner, officer, or director of an investment adviser and/or broker-dealer or having a similar status or performing similar functions, or directly or indirectly, controlling an investment adviser or broker-dealer.

6. **Refund to Clients.** Jasper Bidy and/or Legacy shall refund all advisory fees charged in excess of the annualized fee to be charged pursuant to the *Legacy Wealth Management, LLC Investment Advisory Agreement* signed by the respective client, plus an interest rate of 1% compounded quarterly, within twenty (20) days of the Effective Date of this Agreement. Jasper Bidy and/or Legacy shall submit to the Department documentation of the dollar amount refunded to each client, the date of the refund, and a copy of the check or other instrument used to make the refund within twenty-five (25) days of the Effective Date of this Agreement.

7. **Deferred Civil Penalty.** Any future registration of Jasper Bidy under the Act, or any successor act, shall be contingent upon the payment of a civil penalty in the amount of \$5,000 to the Department. Jasper Bidy must pay the civil penalty within seventy-two (72) hours of written or verbal notification from the Department that Jasper Bidy's application for registration will be approved upon payment of the civil penalty. Jasper Bidy must pay the civil penalty by check, money order, or cashier's check payable to the Oklahoma Department of Securities.

8. **Conditions of Registration.** Any future registration of Jasper Bidy under the Act, or any successor act, shall be subject to the additional conditions listed below:

A. Jasper Bidy must meet the qualifications required by the Oklahoma Uniform Securities Act of 2004 ("Act"), or any successor act.

B. Jasper Bidy shall not participate in any improper, unethical, and/or illegal conduct in the securities or insurance industry on or after the Effective Date of this Agreement.

C. For a period of five (5) years following registration as an investment adviser representative, Jasper Bidy shall have a specially designated supervisor. Jasper Bidy shall provide the Department with the name of the specially designated supervisor and the individual shall be an investment adviser or

investment adviser representative in compliance with federal and state securities laws, rules, and regulations.

D. Jasper Bidy shall be subject to heightened supervision for a period of two (2) years following registration as an agent, as at term is defined under the Act.

E. For a period of ten (10) years following registration under the Act, or any successor act, Jasper Bidy shall not act in any supervisory capacity.

9. **Consideration.** In consideration for this Agreement, the Administrator will not take any further action against Respondents for any conduct that was alleged in the Recommendation to have occurred prior to July 23, 2007 and/or any of the conduct that was a part of the investigation and/or disciplinary proceedings and/or suspension of Jasper Bidy.

10. **Failure to Comply.** If Legacy and/or Jasper Bidy fail to comply with the terms of this Agreement set forth above in paragraph 6, Jasper Bidy must pay a civil penalty to the Department in the amount of \$100 for each day that Legacy and/or Jasper Bidy are in non-compliance with such terms, up to a maximum of \$3,000. Jasper Bidy must pay such civil penalty within sixty (60) days of the Effective Date of this Agreement. If Legacy and/or Jasper Bidy are in non-compliance with the terms set forth above in paragraph 6 for thirty-one (31) or more days, this Agreement shall be deemed null and void with respect to Jasper Bidy, and the parties shall proceed to hearing on the recommendation to revoke Jasper Bidy's registration. Jasper Bidy's registration shall remain suspended until a final determination on the revocation. If Jasper Bidy fails to pay the deferred civil penalty in accordance with the terms set forth above in paragraph 7, his application for registration shall be deemed withdrawn. If Legacy and/or Jasper Bidy fail to comply with this Agreement in any other material respect, the Administrator shall proceed against Respondents as authorized by law.

11. **Entire Agreement; Amendment.** This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

12. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against Respondents, the Administrator may assist in such actions as authorized by law.

13. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

**IN WITNESS WHEREOF,** the parties have executed this Agreement as of the date and year set forth below their signatures hereto.

**LEGACY WEALTH MANAGEMENT, LLC**

By: Jasper E. Biddy, IV  
Title: Managing Member  
Date: 9/28/07

**JASPER E. BIDDY IV**

Jasper E. Biddy, IV  
Date: 9/28/07  
Address: 441 Larkspur Court  
Edmond OK 73003

**OKLAHOMA DEPARTMENT OF SECURITIES**

By: Irving L. Faught  
Irving L. Faught, Administrator  
Date: October 10, 2007

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Jasper E. Bidy IV (CRD No. 3212045), and  
Legacy Wealth Management, LLC (CRD No. 133078),

Respondents.

ODS File No. 07-098

**FINAL ORDER**

Pursuant to Section 1-410 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), the Examinations Division of the Oklahoma Department of Securities ("Department") conducted an inspection of Legacy Wealth Management, LLC ("Legacy") and Jasper E. Bidy IV ("Jasper Bidy") (collectively, "Respondents") for the time period January 1, 2006, through April 30, 2007 ("2007 Examination"). Based thereon, the Enforcement Division of the Department recommended that the Administrator of the Department ("Administrator") impose sanctions against Respondents ("Recommendation").

In order to resolve this matter, Respondents voluntarily executed the *Agreement* that is in the form attached hereto as "Attachment A" and incorporated herein by reference ("Agreement").

This Order is issued pursuant to Section 1-411 of the Act. The Administrator hereby adopts the Findings of Fact and Conclusions of Law set forth below.

**Findings of Fact**

1. In November 2004, Legacy registered under the Act as an investment adviser. At all times material hereto, Legacy's principal office and place of business has been located at 609 South Kelly Avenue in Edmond, Oklahoma ("Legacy's Office").
2. In November 2004, Bidy registered under the Act as an investment adviser representative of Legacy.
3. As part of the 2007 Examination, the Department reviewed the advisory fees charged by Respondents in forty-six (46) customer accounts. The advisory fees charged, during the time period January 1, 2006 through December 31, 2006, in sixteen (16) of the reviewed accounts ("Relevant Accounts") exceeded the annualized fee to be charged according to the *Legacy Wealth Management, LLC Investment Advisory Agreement* ("IA Agreement") signed by the respective accountholder(s).

4. Respondents charged eleven (11) of the Relevant Accounts advisory fees in excess of three percent (3%). Such fees exceed the industry standard, in addition to the annualized fees stated in the IA Agreements, and are unreasonable.

5. Respondents attempted to conceal from the Department their over-billing of advisory fees by altering many of the Relevant Accounts' statements they provided to the Department and by not providing a portion of the Relevant Accounts' statements to the Department for purposes of the 2007 Examination.

6. Respondents altered the account statements by removing all, or part, of the "journal" transactions described as management fees from the "Other Debit and Credit Activity" and "Chronological Recap of above Monthly Activity" sections of the statements. Respondents altered account statements for eight (8) of the Relevant Accounts.

7. Respondents failed to provide the Department with access to several of the statements for the Relevant Accounts. The missing statements for the Relevant Accounts should contain the same type of "journal" transactions for the payment of advisory fees that Respondents removed from other account statements.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

#### Conclusions of Law

1. Respondents willfully engaged in dishonest and unethical practices by doing the following, in violation of 660:11-7-42 of the Rules: (a) misrepresenting the annualized advisory fees to be charged in the Relevant Accounts in the IA Agreements signed by the accountholders; (b) charging certain of the Relevant Accounts unreasonable advisory fees; and (c) altering account statements of the Relevant Accounts.

2. Respondents impeded a representative of the Administrator from conducting an audit or inspection under Section 1-410 of the Act by failing to provide the Examinations Division with access to certain account statements for the Relevant Accounts and by submitting altered account statements for the Relevant Accounts to the Examinations Division, in violation of Section 1-410 of the Act and 660:11-7-45 of the Rules.

3. Respondents engaged in an act, practice, and course of business that operated as a fraud and deceit upon the accountholders of the Relevant Accounts, in violation of Section 1-502 of the Act.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

**NOW THEREFORE, IT IS HEREBY ORDERED** that Respondents comply with all provisions of the Agreement.

**IT IS FURTHER HEREBY ORDERED** that the investment adviser registration of Legacy shall be revoked and Legacy shall be barred from transacting business in and/or from the state of Oklahoma as an investment adviser.

**IT IS FURTHER ORDERED** that Respondents notify the Department of any agreement between Jasper Bidy and/or Legacy and any other person relating to the disposition of client accounts.

**IT IS FURTHER ORDERED** that the investment adviser representative registration of Jasper Bidy shall be suspended, and Jasper Bidy shall be barred from transacting business in and/or from the state of Oklahoma as an investment adviser, investment adviser representative, broker-dealer, and/or agent for six (6) years from July 23, 2007.

**IT IS FURTHER ORDERED** that Jasper Bidy is prohibited from being a partner, officer, or director of an investment adviser and/or broker-dealer or having a similar status or performing similar functions, or directly or indirectly, controlling an investment adviser or broker-dealer, for a time period of ten (10) years after Jasper Bidy is registered under the Act, or any successor act.

**IT IS FURTHER ORDERED** that Jasper Bidy and/or Legacy must refund all advisory fees charged in excess of the annualized fee to be charged pursuant to the *Legacy Wealth Management, LLC Investment Advisory Agreement* signed by the respective client, plus an interest rate of 1% compounded quarterly, per the terms set forth in paragraph 6 of the Agreement, and Jasper Bidy must pay a civil penalty to the Department in the amount of \$100 for each day that Respondents are in non-compliance with such terms, up to a maximum of \$3,000. Jasper Bidy shall pay such civil penalty within sixty (60) days of the effective date of the Agreement. If Respondents are in non-compliance with the terms set forth in paragraph 6 of the Agreement for thirty-one (31) or more days, this Agreement shall be deemed null and void and the parties shall proceed to hearing on the recommendation to revoke Jasper Bidy's registration. Jasper Bidy's registration shall remain suspended until a final determination on the revocation.

**IT IS FURTHER ORDERED** that any future registration of Jasper Bidy under the Act, or any successor act, be conditioned upon his payment of a deferred civil penalty in the amount of \$5,000 per the terms set forth in the Agreement, and if Jasper Bidy fails to make such payment, his application for registration shall be deemed withdrawn.

**IT IS FURTHER ORDERED** that any future registration of Jasper Bidy under the Act, or any successor act, shall be subject to the additional conditions listed below:

- A. Jasper Bidy must meet the qualifications required by the Oklahoma Uniform Securities Act of 2004 ("Act"), or any successor act.
- B. Jasper Bidy shall not participate in any improper, unethical, and/or illegal conduct in the securities or insurance industry on or after the Effective Date of this Agreement.

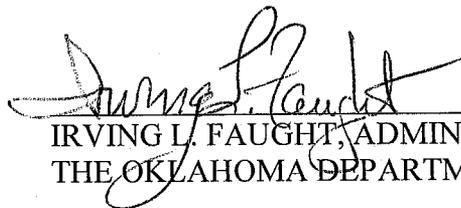
C. For a period of five (5) years following registration as an investment adviser representative, Jasper Bidy shall have a specially designated supervisor. Jasper Bidy shall provide the Department with the name of the specially designated supervisor and the individual shall be an investment adviser or investment adviser representative in compliance with federal and state securities laws, rules, and regulations.

D. Jasper Bidy shall be subject to heightened supervision for a period of two (2) years following his registration as an agent, as that term is defined under the Act.

E. For a period of ten (10) years following registration under the Act or any successor act, Jasper Bidy shall not act in any supervisory capacity.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 10th day of October, 2007.

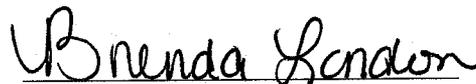
(SEAL)

  
IRVING L. FAUGHT, ADMINISTRATOR OF  
THE OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 10th day of October, 2007, a true and correct copy of the above and foregoing *Final Order* was emailed to Counsel for Respondents at wilklaw@wilklaw.com and sarahmcamis@sbcglobal.net and mailed, with postage prepaid thereon, addressed to:

Bill V. Wilkinson, Esq.  
Sarah McAmis, Esq.  
Wilkinson Law Firm  
7625 East 51<sup>st</sup> Street, Suite 400  
Tulsa, OK 74145-7857

  
Brenda London, Paralegal