

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

SUMMARY ORDER SUSPENDING REGISTRATIONS

The Administrator of the Oklahoma Department of Securities (“Department”) issues this Order pursuant to Section 1-411 of the Oklahoma Uniform Securities Act of 2004 (“Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), and 660:11-7-45 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (as adopted July 1, 2004) (“Rules”).

The Administrator of the Department (“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. Until the issuance of this Order, Legacy remained registered as such. 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 Main Office”).

2. In November 2004, Bidy registered under the Act as an investment adviser representative of Legacy. Until the issuance of this Order, Bidy remained registered as such. At all times material hereto, Bidy has been the President and Chief Executive Officer of Legacy.

3. In January 2006, a representative of the Examinations Division of the Department (“Examinations Division”) conducted a routine inspection of Legacy’s Main Office (“2006 Inspection”). As a result of the 2006 Inspection, the Department sent a letter to Respondents notifying them of the following deficiencies:

- a. Respondents did not maintain a general ledger relating to their investment advisory business;

- b. Respondents were not sending statements containing quarterly fee calculations to their clients;
- c. Legacy's Annual Amendment of Form ADV did not reflect Legacy's current address;
- d. Legacy's Investment Advisory Agreements contained an Arbitration Agreement that stated that the laws of the State of Florida govern the Agreement; and
- e. Bidy's business card and Legacy's website showed Bidy's use of the designations of Registered Financial Consultant ("RFC") and Certified Senior Advisor ("CSA") even though Bidy was not a CSA or an RFC.

4. On March 19, 2007, the Examinations Division attempted to conduct an unannounced, routine inspection of Legacy's Main Office but was unable to do so because Legacy's Main Office was closed.

5. On Thursday, May 3, 2007, the Examinations Division contacted Bidy via telephone and scheduled an inspection of Legacy's Main Office for Monday, May 7, 2007, at 8:30 a.m. On May 3, 2007, the Examinations Division faxed to Legacy a list of certain documents to be reviewed during the May 7th inspection including, but not limited to, customer accounts records and financial statements.

6. On May 7, 2007, the Examinations Division arrived at Legacy's Main Office at approximately 8:30 a.m., and discovered that none of the customer account records were ready for review. At that time, Bidy informed the Examinations Division that all customer account documents and statements are scanned into Legacy's computer system and the paper copies are destroyed. On May 7th, Bidy worked on copying customer data from Legacy's hard drive to disks to be provided to the Examinations Division. While Bidy worked on compiling the requested records, the Examinations Division reviewed other records of Legacy including, but not limited to, Legacy's policy and procedures manual, bills paid file, and customer complaints file. Legacy's financial records were not available for review on May 7th. Later that day, Bidy informed the Examinations Division that he would have all of the customer information copied and delivered to the Department on May 8, 2007, the following day.

7. On May 8, 2007, Bidy delivered to the Department a computer disk containing customer records for customers with last names beginning with letters "A" and "B" and bank statements for the years 2006 and 2007. On the same date, Bidy faxed Legacy's financial statements for the twelve months ending December 31, 2006, and for the year 2007, to date.

8. On May 10, 2007, Bidy stated that he intended to mail the remaining customer records to the Department and that the records should arrive to the Department on Saturday, May 12, 2007, or Monday, May 14, 2007. The Department did not receive the remaining customer records.

9. On May 21, 2007, the Department received a fax from Bidy stating several reasons why he had not yet delivered the remaining customer records to the Department. The fax stated, "Please allow me to work on the disks this week and I should be able to complete the task. I will mail you what I have today."

10. On May 21, 2007, the Examinations Division informed Bidy via telephone, mail, and facsimile that if the Department did not receive Legacy's remaining customer records before Friday, May 25, 2007, at 12:00 p.m., Legacy's investment adviser registration would be immediately suspended. See Exhibit A. Bidy subsequently contacted the Examinations Division confirming his receipt of the notice.

11. On May 25, 2007, at approximately 11:00 a.m., Bidy delivered to the Department customer records for customers with last names beginning with letters "B" through "G." After 12:00 p.m., on May 25, 2007, Bidy informed the Examinations Division that he had been unable to compile the customer records not yet provided.

12. Respondents have failed to provide the remainder of the requested customer records to the Department by the deadline set forth in paragraph 10. Without such records, the Examinations Division is unable to conduct an inspection of Legacy.

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

Authorities

1. Section 1-410 of the Act states, in pertinent part:

D. The records of a broker-dealer registered or required to be registered under this act and an investment adviser registered or required to be registered under this act are subject to such reasonable periodic, special, or other audits or inspections by a representative of the Administrator, within or without this state, as the Administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The Administrator may copy, and remove for audit or inspection copies of, all records the Administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The Administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

2. Section 1-411 of the Act states, in pertinent part:

B. If the Administrator finds that the order issued is in the public interest and subsection D of this section authorizes the action an order issued under this act may revoke, suspend,

condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, any partner, officer, or director, any person having a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser. . . .

C. If the Administrator finds that the order is in the public interest and paragraphs 1 through 6, 8, 9, 10, 12 or 13 of subsection D of this section authorizes the action, an order under this act may censure, impose a bar, impose a civil penalty in an amount not to exceed a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or Two Hundred Fifty Thousand Dollars (\$250,000.00) for multiple violations on a registrant, and/or recover the costs of the investigation from a registrant and if the registrant is a broker-dealer or investment adviser, from any partner, officer, or director, any person having a similar function or any person directly or indirectly controlling the broker-dealer or investment adviser.

D. A person may be disciplined under subsections A through C of this section if the person:

* * *

8. Refuses to allow or otherwise impedes the Administrator from conducting an audit or inspection under subsection D of Section 27 of this act [Section 1-410 of this title] or refuses access to any registrant's office to conduct an audit or inspection under subsection D of Section 27 of this act [Section 1-410 of this title];

* * *

F. The Administrator may summarily postpone an application or summarily suspend a registration before final determination of an administrative proceeding. Upon the issuance of the order, the Administrator shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that within fifteen (15) days after the receipt of a request in a record from the person the matter will be scheduled for a hearing and such hearing shall be commenced within fifteen (15) days of the matter being set for hearing. If a hearing is not requested and none is ordered by the Administrator, within thirty (30) days after the date of service of the order, the order becomes

final by operation of law. If a hearing is requested or ordered, the Administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

* * *

H. A person who controls, directly or indirectly, a person not in compliance with this section may be disciplined by order of the Administrator under subsections A through C of this section to the same extent as the noncomplying person, unless the controlling person did not know, and in the exercise of reasonable care could not have known, of the existence of conduct that is the basis for discipline under this section.

3. Section 660:11-7-41 of the Rules states, in pertinent part:

(a) Every investment adviser registered or required to be registered under the Securities Act shall make and keep true, accurate and current the following books and records relating to his investment advisory business:

(1) A journal or journals, including cash receipts and disbursements, records, and any other records of original entry forming the basis of entries in any ledger.

(2) General and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts. In no event shall the general ledger be posted less than once a month.

(3) A record of each order given by the investment adviser for the purchase or sale of any security, of any instruction received by the investment adviser from the client concerning the purchase, sale, receipt or delivery of a particular security, and of any modification or cancellation of any such order or instruction. The record shall show the terms and conditions of the order, instruction, modification or cancellation; shall identify the person connected with the investment adviser who recommended the transaction to the client and the person who placed the order; and shall show the account for which entered, the date of entry, and the bank or broker-dealer by or through whom executed where appropriate. Orders entered pursuant to the exercise of discretionary power shall be so designated.

(4) All check books, bank statements, canceled checks and cash reconciliations of the investment adviser.

(5) All bills or statements (or copies thereof), paid or unpaid, relating to the business of the investment adviser as such.

(6) All trial balances, financial statements prepared in accordance with generally accepted accounting principles, and internal audit working papers relating to the business of such investment adviser. The trial balance shall be prepared no later than fifteen (15) business days after the end of the accounting period.

(7) Originals of all written communications received and copies of all written communications sent by the investment adviser relating to the business of the investment adviser, including, but not limited to:

(A) any recommendation made or proposed to be made and any advice given or proposed to be given,

(B) any receipt, disbursement or delivery of funds or securities, or

(C) the placing or execution of any order to purchase or sell any security; provided, however:

(i) that the investment adviser shall not be required to keep any unsolicited market letters and other similar communications of general public distribution not prepared by or for the investment adviser, and

(ii) that if the investment adviser sends any notice, circular or other advertisement offering any report, analysis, publication or other investment advisory service to 2 or more persons, the investment adviser shall not be required to keep a record of the names and addresses of the persons to whom it was sent; except that if the notice, circular or advertisement is distributed to persons named on any list, the investment adviser shall retain with the copy of the notice, circular or advertisement a memorandum describing the list and the source thereof.

(8) A list or other record identifying all accounts in which the investment adviser is vested with any

discretionary power with respect to the funds, securities or transactions of any client.

(9) A copy of all powers of attorney and other evidences of the granting of any discretionary authority by any client to the investment adviser.

(10) A copy of all agreements entered into by the investment adviser with any client and all other agreements relating to the business of the investment adviser as such, including agreements which set forth the fees to be charged, the manner of computation and method of payment.

(11) A file containing a copy of each notice, circular, advertisement, newspaper article, investment letter, bulletin, or other communication, including any communication by electronic media, that the investment adviser circulates or distributes, directly or indirectly, to 2 or more persons (other than persons connected with the investment adviser), and if the notice, circular, advertisement, newspaper article, investment letter, bulletin, or other communication, including any communication by electronic media, recommends the purchase or sale of a specific security and does not state the reasons for the recommendation, a memorandum of the investment adviser indicating the reasons for the recommendation.

(12) A record of every transaction in a security in which the investment adviser or any investment adviser representative of the investment adviser has, or by reason of any transaction acquires, any direct or indirect beneficial ownership, except transactions effected in any account over which neither the investment adviser nor the investment adviser representative has any direct or indirect influence or control, and transactions in securities which are direct obligations of the United States. The record shall state the title and amount of the security involved; the date and nature of the transaction (i.e., purchase, sale or other acquisition or disposition); the price at which it was effected; and the name of the broker-dealer or bank with or through whom the transaction was effected. The record may also contain a statement declaring that the reporting or recording of any transaction shall not be construed as an admission that the investment adviser or investment adviser representative has any direct or indirect beneficial ownership in the security. A transaction shall be recorded

no later than ten (10) days after the end of the calendar quarter in which the transaction was effected.

(13) A record of each customer account containing the name, address, date of birth, net worth and investment objectives of the beneficial owner of such account.

(14) Ledgers or other records itemized separately as to each account of every investment adviser representative of such investment adviser reflecting all purchases, sales, receipts and deliveries of securities and commodities for such account and all other debits and credits to such accounts. Said records shall reflect transactions as of the date they occur and should be prepared no later than the day following the transaction.

(15) A copy of the written supervisory procedures of the investment adviser.

* * *

(c) All books and records required to be maintained under the provisions of (a) of this section shall be maintained and preserved in an easily accessible place for a period of not less than five (5) years, the first two (2) years in the principal office of the investment adviser.

4. Section 660:11-7-45 of the Rules states:

(a) **Periodic examinations.** The business and records of each investment adviser registered under the Securities Act may be periodically examined by the Administrator and/or person(s) designated by him at such times and in such scope as the Administrator determines prudent and necessary for the protection of the public. A report of each such examination shall be prepared.

(b) **Department access.** Each investment adviser scheduled for examination shall provide the personnel of the Department access to business books, documents, and other records. Each investment adviser shall provide personnel with office space and facilities to conduct on-site examinations, and assistance in the physical inspection of assets and confirmation of liabilities. Failure of any applicant or registrant to provide such access shall constitute a violation of this section and shall be a basis for denial, suspension or revocation of the registration or application for registration.

Conclusions of Law

1. Respondents have failed to provide access to certain books and records of Legacy to the Examinations Division thereby impeding a representative of the Administrator from conducting an audit or inspection under Section 1-410 of the Act, in violation of Section 1-410 of the Act and 660:11-7-45 of the Rules.

2. The Administrator is authorized pursuant to Section 1-411 of the Act and 660:11-7-45 of the Rules to summarily suspend the registrations of Respondents.

3. It is in the public interest for the Administrator to summarily suspend the registrations of Respondents.

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

ORDER

IT IS HEREBY ORDERED that the investment adviser registration of Legacy Wealth Management, LLC, and the investment adviser representative registration of Bidy are suspended.

NOTICE OF OPPORTUNITY FOR HEARING

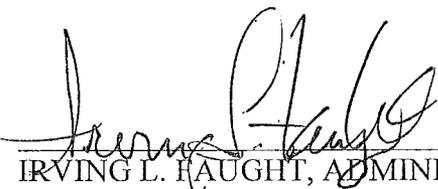
Pursuant to Section 1-411 of the Act, the Administrator hereby gives notice to Respondents of their right to request a hearing. The request for hearing must be received by the Administrator within thirty (30) days after service of this Order. The request for hearing must be in writing and Respondents shall specifically admit or deny each allegation against Respondents.

Within fifteen (15) days after receipt of a request for hearing from Respondents, this matter will be scheduled for hearing. The hearing shall commence within fifteen (15) days of the matter being set for hearing. Notice of the date, time and location of the hearing shall be given to Respondents. If a hearing is requested, the Administrator, after notice and opportunity for hearing to Respondents, may modify or vacate this Order or extend it until final determination.

If Respondents do not request a hearing within thirty (30) days after the date of service of this Order and none is ordered by the Administrator, the Order becomes final as to Respondents by operation of law.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 25th day of May, 2007.

(SEAL)



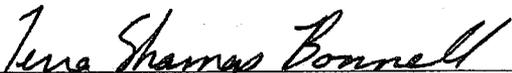
IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 25th day of May, 2007, a true and correct copy of the above and foregoing Summary Order Suspending Registrations was emailed to Respondents at jbiddy@legacy-wealth.com and mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, addressed to:

Legacy Wealth Management, LLC
609 South Kelly Avenue, Suite K2
Edmond, OK 73003

Jasper E. Bidy, IV
Legacy Wealth Management, LLC
609 South Kelly Avenue, Suite K2
Edmond, OK 73003


Terra Shamas Bonnell

IRVING L. FAUGHT
ADMINISTRATOR



BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES

May 21, 2007

Jasper Bidy
Legacy Wealth Management LLC
609 South Kelly Ave., Ste K2
Edmond, OK 73003-5696

Dear Mr. Bidy:

This letter is to make a final request for access to the customer account records for Legacy Wealth Management LLC. If you are unable to copy the records and deliver them to the Department's office no later than **12:00 noon on Friday, May 25, 2007**, the investment advisor registration of **Legacy Wealth Management LLC** will be suspended. The documents required to be produced include, but are not limited to the following:

- 1) All customer new accounts forms, investment advisory agreements, contracts, letters of authorization, suitability information, and fee invoices, for all existing and closed accounts,
- 2) All customer account statements and trade confirmations for the time period beginning January 1, 2006 through the present for existing and closed accounts,
- 3) Financial statements, including balance sheet and statement of operations, for the 12 months ended December 31, 2007,
- 4) Federal and state tax returns for Legacy Wealth Management LLC for the tax years 2005 and 2006.

If you have any questions, please contact me at (405)280-7731 or by e-mail at ksr@securities.ok.gov. My fax number is (405)280-7742. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Kim Reed".

Kim Reed
Senior Examiner

