

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: Leonard V. Fox Jr.)
_____))

FILE NO. 1200297

CORRECTED NOTICE OF HEARING

TO THE RESPONDENT:

Leonard V. Fox Jr.
115 Bortons Road
Marlton, NJ 08053

Morgan Stanley Smith Barney
1300 Thames Street 6th Floor
Baltimore, MD USA 21231

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 24th day of October, 2012 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 Leonard V. Fox Jr. (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.

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2. That on May 16, 2012 FINRA entered Decision & Order of Offer of Settlement (“AWC” or “Order”) submitted by the Respondent regarding Disciplinary Proceeding No. 2009020913601 which sanctioned the Respondent as follows:
 - a) suspended from association with any FINRA member in any capacity for ten (10) business days; and
 - b) fined \$2,500.
3. That the Order found: NASD Rules 2110, 2370: Fox entered into a lending arrangement with a customer and borrowed \$10,000. Fox repaid the loan in full, including interest. Fox used the funds for personal expenditures, including costs associated with a former business venture he had with the customer. Fox, however, failed to inform his member firm of the loan or otherwise obtain its permission. Indeed, the firm’s written supervisory procedures expressly prohibited its representatives from borrowing money from customers.
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 FINRA 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.

You are further notified that you are required pursuant to Section 130.1104 of 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.

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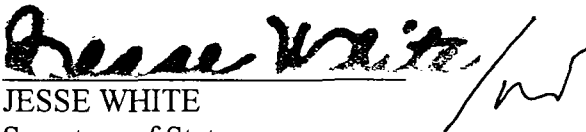
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Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

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 5th day of September 2012.


JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:
James L. Kopecky:
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