STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:	GENEVA SECURITIES, INC., DIRECTORS, EMPLOYEES, AFFILIAITES, SUCCESSORS, AGENTS AND RICHARD M. EISENMENGER, LEROY K. MESSENGER	FILE NO. 0000233

NOTICE OF HEARING

TO THE RESPONDENTS:

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

Richard M. Eisenmenger
10102 Country Club Rd.
Woodstock, Ill 60096

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

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 520 South Second Street, Suite 200, Springfield, Illinois 62701, on the 18th day of June, 2003 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether an Order of Prohibition should be entered against Geneva Securities, Inc, its officers, directors, employees, agents, affiliates, successors, assigns, Richard M. Eisenmenger and Leroy K. Messenger in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

Count I (Violation of Section 12.F)

1. That Geneva Securities, Inc. ("Geneva") is a now defunct Dealer previously registered with the Securities and Exchange Commission ("SEC")and the Illinois Securities Department;

2. That Richard M. Eisenmenger ("Eisenmenger") and Leroy K. Messenger ("Messenger") were officers and/or directors of Geneva;

3. That on October 10, 2001 Eisenmenger and Messenger agreed to the entry of a Final Judgment and Order of Permanent Injunction and Other Relief by the U.S. Judge for the United States District Court for the Northern District of Illinois, Eastern Division;

4. That the October 10, 2001 order was based upon a complaint filed against Eisenmenger and Messenger by the SEC which alleged as follows:

   a. That from on or about 1993 through 1999, Eisenmenger and Messenger sold preferred stock in their affiliated company, GSI Trading Corp. (GSIT). According to the private placement memorandum (PPM), Eisenmenger and Messenger stated that they would license GSIT for trading, and transfer Geneva's wholesale bond trading operation to GSIT. The PPM also stated that proceeds would be used to purchase an inventory of bonds, and that GSIT had issued and would continue to offer certain short-term notes, but would not issue notes in excess of $500,000.

   b. Contrary to the representations made in the PPM, Eisenmenger and Messenger never obtained a trading license for GSIT, never transferred Geneva's bond trading operation to GSIT, and never used the funds they raised to purchase an inventory of bonds. Rather, they loaned nearly all the money raised to other affiliated companies to fund their restaurant investments. In addition, contrary to their representations, Eisenmenger and Messenger sold more than $1 million of GSIT notes.

c. Eisenmenger and Messenger also sold preferred shares in their affiliated company GSI Investment Group, Inc. (GSIIG). The GSIIG PPM also stated that GSIIG would not issue notes in excess of $500,000. Contrary to that representation, however, Eisenmenger and Messenger sold over $3.6 million in GSIIG notes.

d. In July 1999, Eisenmenger and Messenger approached a bond trader who was a Geneva employee and asked if he was willing to reinvest into Geneva approximately $80,000 in trading profits due to him. He agreed, but told them that he wanted the money to be used for bond trading. Eisenmenger and Messenger agreed. Contrary to their representations, however, Eisenmenger and Messenger never used the money for bond trading. In addition, the employee understood that his investment would be in the form of a note. Eisenmenger and Messenger however, issued $81,000 in Geneva preferred stock to the employee.

e. Between July and October 1998, Eisenmenger sold one client, a former employee of Geneva, $266,510.74 in promissory notes from Geneva Holding Corp, and GSI Investment Group, Inc. The client specified that the money he invested in the notes was to be used by Geneva's bond trading desk and not for any restaurant ventures. Eisenmenger orally assured him that the money would be used by Geneva's bond trading desk. Contrary to Eisenmenger's representations, the money was never used for bond trading and at least some of the money was used to support Eisenmenger and Messenger's restaurant ventures.

f. Between April 1997 and January 1998, Eisenmenger sold approximately $150,000 in GSI Bellwood Notes to eight investors. Eisenmenger told investors that these notes were secured by property in Bellwood, Illinois where the company owned a Checkers restaurant. No security interest in the property was ever recorded for owners of the notes.

g. During 1997, Eisenmenger and Messenger sold approximately $350,000 of GSIIG series 1997A notes to seven investors. The PPM states that these notes were secured by a second mortgage on an apartment building in Milwaukee Wisconsin. No security interest was ever recorded for owners of the notes.

h. During 1999, Eisenmenger and Messenger sold approximately $730,000 of Delancey St. at Belden & Clark, LLC Notes to approximately 30 investors. According to the PPM, Eisenmenger and Messenger would use the proceeds of the notes to pay off the lease and first lien on certain restaurant equipment. In addition, the notes were to be secured by a first lien on the equipment. Eisenmenger and Messenger, however, did not pay off the lease and first lien on the equipment and the note holders never obtained any security interest in the equipment.

i. By mid 1999 Geneva and its affiliated companies were in severe financial straits. Geneva lost over $1.2 million in fiscal years 1995-99. The affiliated companies were also losing money and had few real assets. Eisenmenger and Messenger, however, sold over $1 million of 30-day demand notes in GSIT and GSIIG during mid-1999 to eight investors, knowing that those companies would not have funds available to redeem the notes. Those investor lost most or all of their money. At least some of the money was used to make interest payments to other investors.

j. Eisenmenger also sold unsuitable investments to several of his clients. For example, one client, a 74 year-old retiree, had been a client of Eisenmenger's since 1982. She trusted Eisenmenger and always followed his investment advice. Over a period of several years, Eisenmenger invested over $200,000, nearly her entire liquid net worth, in preferred stock and promissory notes of Geneva affiliates and risky corporate bonds underwritten by Geneva. She lost nearly all her investments.

k. During the period of 1995 through October 1999, Eisenmenger steadily eroded the wealth of another of his clients by recommending that she invest approximately $1.2 million of her money in Geneva-affiliated companies and other companies whose high-risk security offerings were underwritten by Geneva. This individual had been a client of Eisenmenger's for many years and during this period she arranged for Eisenmenger to have control over her finances after she became unable to look after her financial affairs. Eisenmenger wrote checks on the client's checking account to pay for at least $10,000 of these investments. By October 1999, she was left with assets worth between $20,000 and $30,000. This client is currently approximately 82 years old and lives in a nursing home.

l. On several occasions, Eisenmenger bought securities with his clients' funds without their authorization or diverted those funds. In August of 1999, Eisenmenger received a check for $80,000 from a client. That client asked that Eisenmenger deposit the money into her money market account and Eisenmenger agreed. Instead, he used the funds to purchase a note from GSIIG. In May 1999, Eisenmenger made wire transfers of $200,000 and $400,000 from the account of another client. Without her permission, Eisenmenger used those funds to purchase promissory notes from GSIIG. In August 1999, Eisenmenger took $5,000 from yet another client's account without her permission and used it to purchase a promissory note from GSIIG. In October 1999, Eisenmenger, without authorization diverted $5,000 from that client's account and $10,000 from yet another client's account to the accounts of Geneva-affiliated companies

5. That the October 10, 2001 final order ordered Eisenmenger and Messenger to disgorge $2,711,000 representing indirect benefits gained as result of the conduct alleged in the SEC Complaint;

6. That Section 12.F of the Act 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;

7. That by virtue of the foregoing, the Respondents, Geneva Securities, Inc., Richard M. Eisenmenger, and Leroy K. Messenger have violated Section 12.F of the Act;

8. That Section 11.E(2) of the Act 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;

9. That Section 11.E(4) of the Act provides, 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; and

10. That by virtue of the foregoing, the Respondents, Geneva Securities, Inc, Richard M. Eisenmenger, and Leroy K. Messenger are subject to a fine of up to $ 10,000.00 per violation and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count II (Violation of Section 12.G)

1-5. Paragraphs 1-5 of Count I are re-alleged and incorporated as Paragraphs 1-5 of this Count II;

6. That Section 12.G of the Act 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 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;

7. That by virtue of the foregoing, the Respondents, Geneva Securities, Inc., Richard M. Eisenemenger and Leroy K. Messenger have violated Section 12.G of the Act;

8. That Section 11.E(2) of the Act provides, *inter alia*, that if the Secretary of State shall find that any person has violated subsection G 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;

9. That Section 11.E(4) of the Act provides, *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; and

10. That by virtue of the foregoing, the Respondents, Geneva Securities, Inc. Richard M. Eisenmenger and Leroy K. Messenger are subject to a fine of up to $ 10,000.00 per violation and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

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 or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

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.

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 Respondents.

ENTERED: This 24th day of April, 2003

Jesse White

Jesse White
Secretary of State
State of Illinois

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