

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

IN THE MATTER OF:)
)
)
Dragoljub Giljen; AKA) File Number: 0900219
Daniel Giljen, Dan Giljen)
)

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENT: Dragoljub Giljen
405 N. Wabash
Apt. 807
Chicago, Illinois 60611

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

Count I

FAILURE TO REGISTER SECURITIES

1. Respondent Dragoljub Giljen ("Giljen"), a natural person, has a last known address of 405 N. Wabash, Chicago, Illinois.
2. From 2004 and continuing through 2009, respondent Giljen offered and sold to Illinois Residents, Notes, including Installment Notes and Promissory Notes (Notes) with a principal value of approximately Eight Million Dollars (\$8,000,000.00).
3. The Notes offered and sold to the Illinois residents by Giljen promised interest rates between twenty seven (27) percent to thirty (30) percent interest with varying maturities.
4. The activities described above constitute the offer and sale of a Note and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
5. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt

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under Section 4 “shall be registered either by coordination or by qualification prior . . . to their offer or sale” in the State of Illinois.

6. Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
7. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person “to offer or sell any security except in accordance with the provisions of the Act.”
8. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person “to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.”
9. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

Count II

FRAUD IN THE SALE OF SECURITIES

- 1-4. That paragraphs one (1) through three (3) of Count I are re-alleged and incorporated herein as paragraphs one (1) through four (4) of this Count II.
5. That Respondent engaged in a Scheme in which he took investors money on the premise that he owned certain property that and their money would be secure; however certain property addresses and pin numbers given to investors to secure their investments were properties that the respondent did not own.
6. That Respondent told investors he would use the money to improve certain properties, no improvements were made to those properties.
7. That Respondent offered substantially high interest rates and to date the respondent has refused to re-pay the investors.
8. That Section 12.F of the Act provides 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 or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
9. That Section 12.G of the Act provides 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 the light of the circumstances in which they were made, not misleading.
10. That by virtue of the forgoing, respondent violated Section 12.F and Section 12.G of the Act.

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Count III

UNREGISTERED DEALER/SALESPERSON

- 1-4. That paragraphs one (1) through three (3) of Count III are re-alleged and incorporated herein as paragraphs one (1) through four (4) of this Count III.
5. Through the conduct described in paragraphs three (3) through five (5), the respondent acted as a dealer and/or salesperson for the sale of copious promissory notes to investors.
6. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson, investment advisor, or investment advisor representative, unless registered such, where such registration is required under this Act.
7. That at all relevant times, the respondent was not registered as a dealer and/or salesperson under the Act.
8. That by acting as a salesperson and/or dealer in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.
9. The aforementioned findings are based upon credible evidence.
10. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

The entry of this **Temporary Order of Prohibition** prohibiting Respondents, or their agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents; Dragoljub Giljen, AKA Daniel Giljen, and Dan Giljen are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for ninety (90) days from the date the hearing request is received by the Department.

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FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 2nd day of June 2009.

5th



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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