

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: JYGNESH R. PATEL)

FILE NO. 0500523

NOTICE OF HEARING

TO THE RESPONDENT: Jygnesh R Patel
(CRD#: 2387765)
4043 N. Blake Lane
Glenview, Illinois 60025

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 15th day of March, 2006 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky, esq. or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking Jygnesh R. Patel's (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 until March 28, 2005.
2. That on July 18, 2005, NASD entered Order Accepting Offer of Settlement submitted by the Respondent (Order) regarding DISCIPLINARY PROCEEDING NO. C0705000303 which barred him from association with any NASD member in all capacities.
3. That the Order found.
 - a. As Alleged in the First Cause of Complaint, the Respondent, with scienter.

Notice of Hearing

-2-

- (i) misrepresented to customer AF that a securities account would be opened for AF at TradeRight (a dealer who was owned by the Respondent who also acted as, president, executive representative and compliance officer, among other things) into which \$50,000 of AF's investment funds would be deposited and carried, and that AF's investment would be protected by TradeRight's fidelity bond and other insurance; and
 - (ii) created and sent to AF a purported TradeRight account statement falsely showing that AF's funds had been deposited into an account in his name at TradeRight in violation of Securities Exchange Act Section 10(b), rule 10b-5 thereunder, and NASD Conduct Rules 2110 and 2120
 - b. As Alleged in the First Cause of Complaint, the Respondent failed to open a TradeRight securities account for customer AF and deposit AF's funds in said account, in violation of NASD Conduct Rules 2110 and 2330(a).
 - c. As Alleged in the Second Cause of Complaint, the Respondent's failure to respond to NASD staff request for information made pursuant to NASD Procedural Rule 8210, in violation of NASD Conduct Rule 2110 and Procedural Rule 8210.
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 NASD is a self-regulatory organization as specified in Section 8 E(1)(j) of the Act.
 6. That Section 8.E(3) of the Act provides, *inter alia*, withdrawal of an application for registration or withdrawal from registration as a salesperson, becomes effective 30 days after receipt of an application to withdraw or within such shorter period of time as the Secretary of State may determine. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.

Notice of Hearing

-3-

7. That by virtue of the foregoing, the Respondent's registration in the State of Illinois is subject to revocation pursuant to Section 8.3(1)(j) of the Act

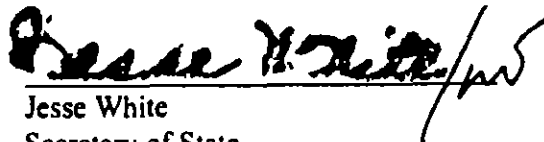
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

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 31st day of January, 2006.



Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Daniel A. Tunick
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384

Hearing Officer:
James L. Kopecky
321 North Clark Street
Suite 220
Chicago, IL 60610
Telephone: (312) 527-3966