

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

IN THE MATTER OF: K2 Design & Strategy, Inc.)
and George C. Pell)
_____)

File No. 14-00337

Consent Order of Prohibition and Fine

TO RESPONDENTS: George C. Pell
 14047 Persimmon Dr.
 Orland Park, Illinois 60467

 K2 Design & Strategy, Inc.
 C/o George C. Pell
 14047 Persimmon Dr.
 Orland Park, Illinois 60467

WHEREAS, Respondents on the 28th day of September 2018 executed a certain Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondents have admitted to the jurisdiction of the Secretary of State and service of the Amended Notice of Hearing of the Secretary of State, Securities Department, dated August 28, 2018 in this proceeding (the "Notice") and Respondent have consented to the entry of the Consent Order of Prohibition and Fine (the "Consent Order").

WHEREAS, by means of the Stipulation, the Respondents acknowledge that the following allegations contained in the Amended Notice of Hearing as modified herein shall be adopted as the Secretary of State's Findings of Fact:

- a. That Respondent George C. Pell (hereinafter "Pell") is an individual whose address is 14047 Persimmon Drive, Orland Park, Illinois 60467.
- b. That Pell was an Illinois resident during all times relevant.

Consent Order of Prohibition and Fine

2

- c. That Respondent K2 Design & Strategy, Inc. (hereinafter "K2 Design") was incorporated in the State of Delaware on February 14, 2014. It currently has a status of dissolved.
- d. That K2 Design held itself out as a computer software company with a focus on analytics. Respondent Pell was its CEO.
- e. That Respondent Pell told one or more Investors that he was offering the shares of K2 Design at a discount and that an IPO of K2 Design stock was planned for September 2014.
- f. That between June 1, 2014 and July 31, 2014 Respondent Pell sold 22,203 common shares of K2 Design totaling approximately \$93,650 to one or more investors ("Investors").
- g. That Respondent Pell failed to disclose to one or more Investors material facts including that he had filed for and was discharged from Chapter 7 Bankruptcy in 2009.
- h. That one or more Investors demanded their investment back from Respondent Pell and as of the date of this order has not received it.
- i. That the activities described above constitutes the offer and/or sale of a securities and as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
- j. That 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.
- k. That pursuant to Section 12.G of the Act, it is a violation of the Act 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 under which they were made, not misleading.

WHEREAS, by means of the Stipulation, the Respondents acknowledge that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondents violated Sections 12.A and 12.G of the Act.

WHEREAS, the Respondents acknowledge and agree that Respondent George C. Pell and Respondent K2 Design and Strategy, Inc. shall be prohibited in whatever capacity from offering or selling any securities in the state of Illinois.

Consent Order of Prohibition and Fine

3

WHEREAS, the Respondent George C. Pell acknowledges and agrees that he shall pay a fine in the amount of \$1,000 on or before December 31, 2018. Said payments shall be made by cashier's check payable to the Illinois Secretary of State and delivered to the Illinois Securities Department 69 West Washington Street, Suite 1220, Chicago, Illinois 60602

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED:

1. That Respondent George C. Pell and Respondent K2 Design and Strategy, Inc. are prohibited in whatever capacity from offering or selling securities in the state of Illinois.
2. That Respondent George C. Pell shall pay a fine in the amount of \$1,000 on or before December 31, 2018. Said payments shall be made by cashier's check payable to the Illinois Secretary of State and delivered to the Illinois Securities Department 69 West Washington Street, Suite 1220, Chicago, Illinois 60602
3. That the formal hearing in this matter is dismissed without further proceeding.

DATED: This 14th day of October 2018.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Gregory J. Solberg
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-9643