

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

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**IN THE MATTER OF:**

**Dragolijub Giljen; AKA  
Daniel Giljen, Dan Giljen**

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) **File Number: 0900219**  
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**NOTICE OF HEARING**

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

**To Respondent's Attorney:** Daniel Radakovich  
Attorney at Law  
900 West Jackson Blvd.  
Suite 5-East  
Chicago, Illinois 60607-3024

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 10<sup>th</sup> day of September, 2009 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula Spyropoulos 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 pursuant to Section 11.E of the Act prohibiting Dragolijub Giljen (the "Respondent") from selling or offering for sale securities 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 of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

**Count I**

**FAILURE TO REGISTER SECURITIES**

1. Respondent Dragolijub Giljen ("Giljen"), a natural person, has a last known address of 405 N. Wabash, Chicago, Illinois.

## NOTICE OF HEARING

-2-

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 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

- 1-3. That paragraphs one (1) through three (3) of Count I are re-alleged and incorporated herein as paragraphs one (1) through three (3) of this Count II.
4. 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.
5. That Respondent told investors he would use the money to improve certain properties, no improvements were made to those properties.

## NOTICE OF HEARING

-3-

6. 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 foregoing, respondent violated Section 12.F and Section 12.G of the Act.

### Count III

#### UNREGISTERED DEALER/SALESPERSON

- 1-3. That paragraphs one (1) through three (3) of Count I are re-alleged and incorporated herein as paragraphs one (1) through three (3) of this Count III.
4. Through the conduct described in paragraphs one (1) through three (3), the respondent acted as a dealer and/or salesperson for the sale of copious promissory notes to investors.
5. 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.
6. 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.

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

NOTICE OF HEARING

-4-

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 link 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. <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 7<sup>th</sup> day of July 2009.



JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Mary A. Lopez  
Illinois Secretary of State Securities Department  
69 West Washington Street  
Chicago, Illinois 60602  
312-793-3023

Hearing Officer:  
Soula Spyropoulos  
4125 W. Lunt  
Lincolnwood, Illinois 60712