

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

IN THE MATTER OF:)	
)	
George Dragel (CRD#1718650))	File Number: 1100016
)	
)	

TEMPORARY ORDER OF PROHIBITION & SUSPENSION

TO RESPONDENT: George Dragel
 (CRD #1718650)
 1001 E. Chicago #119
 Naperville, Illinois 60540

George Dragel
(CRD #1718650)
14109 Yorktown Drive
Orland Park, IL 60462

George Dragel
c/o NDX Trading, Inc.
900 Long Lake Road, Suite 101
New Brighton, MN 55112

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:

MAKING FALSE STATEMENTS TO THE SECRETARY OF STATE

1. Respondent George Dragel ("Respondent Dragel") is an individual with last known addresses of 1001 E. Chicago #119, Naperville, IL 60540 and 14109 Yorktown Drive, Orland Park, IL 60462.
2. NDX Trading, Inc. ("NDX") is a securities broker dealer with a last known address of 900 Long Lake Road, Suite 101, New Brighton, MN 55112.
3. Respondent Dragel is currently registered with the Illinois Secretary of State as a securities salesperson of NDX and has been registered in this capacity since November 9, 2010, even though he was employed with NDX since May 28, 2010.

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4. Glenview Capital Corp. ("Glenview") is an entity with last known addresses of 6810 Cypress Cove Circle, Jupiter, FL 33458 and 1321 E. Jackson St., Joliet, IL 60432. Glenview Capital Corp. also does business as Glenview Capital, Inc. and Glenview Consulting Corp.
5. While serving as a registered securities salesperson for NDX, Respondent Dragel also acted as an agent for Glenview, as can be evidenced by court documents that have been submitted to the United States District Court for the Northern District of Illinois.
6. One such document is a notarized affidavit signed by Respondent Dragel on December 23, 2010, and filed with the district court that same day. That affidavit stated, *inter alia*:

I, George Dragel, being first duly sworn on oath, depose and state that if called as a witness to testify in this matter, I could competently testify to the following facts, of which I have personal knowledge...

I am an agent of Glenview Capital, Inc. ("GCI") and have held that position for approximately one year. (Emphasis added)

7. In other words, Respondent Dragel's sworn statement indicated that he has been an agent of Glenview since approximately December of 2009.
8. Pursuant to the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act") and the Rules and Regulations promulgated under the Act, securities salespersons are required, through their broker-dealer, to file an application for registration with the Secretary of State by filing a U-4 form through the CRD system. The U-4 form must be amended within ten (10) business days when the salesperson experiences a change that renders any information contained in the initial application for registration inaccurate.
9. Respondent Dragel completed his first U-4 form as an employee of NDX on July 15, 2010. On this U-4 form he answered the following question:

"Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non *investment-related* activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.) If YES, please provide the following details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the number of hours you devote to the other business

during securities trading hours, and briefly describe your duties relating to the other business.”

10. In answering this question, Respondent Dragel stated that he was involved in outside business activity, but failed to disclose that he was an agent of Glenview.
11. Respondent Dragel amended his U-4 four times between July 15, 2010 and January 13, 2011. Each time Respondent Dragel amended his U-4 form, he failed to disclose that he was an agent of Glenview.
12. Section 12.E of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to make or cause to be made in any application, report, or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact.
13. By virtue of the foregoing, Respondent Dragel violated Section 12.E of the Act.
14. Section 8.E(1)(h) of the Act provides, *inter alia*, that the registration of a salesperson may be suspended or revoked if the Secretary of State finds that such salesperson has made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's business repute or qualifications.
15. By virtue of the foregoing, Respondent Dragel's registration as a salesperson in the State of Illinois is subject to revocation or suspension pursuant to Section 8.E(1)(h) of the Act.

CONTINUING COURSE OF DEALING IN VIOLATION OF THE ACT

16. Paragraphs 1-11 are re-alleged as if fully set forth herein.
17. This is not the first time that Respondent Dragel has misrepresented to the Illinois Secretary of State the extent to which he was engaged in business activities outside of his brokerage firm.
18. In fact, a regulatory action was taken against Respondent Dragel by the Illinois Securities Department on September 12, 2007. The basis for the Illinois Securities Department's action was that Respondent Dragel made a false statement to the Secretary of State when he filed a registration application that did not disclose his involvement in a company named Locke Haven, LLC.
19. As a result of this action, the Illinois Securities Department entered a Consent Order against Respondent Dragel that found that Respondent Dragel violated Section 12.E of the Act.

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20. In addition to making false registration applications to the Secretary of State, Respondent Dragel also was the subject of a regulatory action taken by FINRA, a self-regulatory organization of the securities industry. This action was initiated on December 20, 2010. The basis for the action, as it is reflected on CRD, states:

NASD RULE 1031 - A MEMBER FIRM, THROUGH GEORGE EDWARD DRAGEL, PERMITTED AN UNREGISTERED INDIVIDUAL TO TRADE IN THE FIRM'S PROPRIETARY ACCOUNT. DRAGEL WAS HIS FIRM'S CHIEF COMPLIANCE OFFICER AND THE FIRM'S WRITTEN SUPERVISORY PROCEDURES SPECIFIED THAT HE WAS RESPONSIBLE FOR THE REGISTRATION AND LICENSURE OF ALL FIRM PERSONNEL. DRAGEL KNEW THE INDIVIDUAL WAS UNREGISTERED WHILE TRADING BUT DID NOT REQUIRE HIM TO BECOME REGISTERED WITH THE FIRM.

21. As a result of FINRA's regulatory action, Respondent Dragel entered into an Acceptance, Waiver & Consent in which FINRA found that Respondent Dragel violated NASD Rule 1031. Further, as a result of FINRA's action, FINRA suspended Respondent Dragel from associating with any FINRA member in a supervisory capacity for two months. The suspension is in effect from January 18, 2011 through March 17, 2011.
22. In addition to these regulatory actions, on four separate occasions, customers filed complaints against Respondent Dragel.
23. Section 8.E(1)(m) of the Act provides, *inter alia*, that the registration of a salesperson may be suspended or revoked if the Secretary of State finds that such salesperson has conducted a continuing course of dealing of such nature as to demonstrate an inability to properly conduct the business of a salesperson.
24. By virtue of the foregoing, Respondent Dragel's registration as a salesperson in the State of Illinois is subject to revocation or suspension pursuant to Section 8.E(1)(m) of the Act.
25. Section 12.A of the Act provides that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
26. By virtue of the foregoing, Respondent Dragel violated Section 12.A of the Act.

PROHIBITION AND SUSPENSION

27. 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, and temporarily suspend the registration of a salesperson 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.
28. The entry of this **Temporary Order** suspending the registration of **Respondent George Dragel** as a salesperson in the State of Illinois, and prohibiting **Respondent George Dragel** 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.
29. The aforementioned findings are based upon credible evidence.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act,

1. **Respondent George Dragel** is **TEMPORARILY PROHIBITED** from offering or selling securities in or from the State of Illinois for a maximum period of ninety (90) days; and
2. **Respondent George Dragel's** registration as a securities salesperson in the State of Illinois is **TEMPORARILY SUSPENDED** for a maximum period of ninety (90) days.

NOTICE is hereby given that Respondent George Dragel may request a hearing on this matter by transmitting such request in writing to:

James Gleffe
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
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 & Suspension**. 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 Suspension.

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

Dated this 21st day of January 2011.

A handwritten signature in black ink, appearing to read "Jesse White", is written over a horizontal line. The signature is stylized and includes a small flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

James Gleffe
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
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Chicago, Illinois 60602
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