In the matter of:  
Fractal Medical Solutions, Inc.  
and  
Fractal OnCall Solutions, LLC  
Respondents.  

ORDER NO: 13-764-S  
ORDER TO CEASE AND DESIST,  
AND  
CONSENT TO ORDER  

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (the Administrator), has conducted an investigation into certain business activities of Fractal Medical Solutions, Inc. (FMS, Respondent) and Fractal OnCall Solutions, LLC (FOCS, Respondent) and has determined that Respondents violated certain provisions of AS 45.55 (the “Alaska Securities Act”) by offering and selling securities in Alaska without the securities first being registered or exempt from registration.

Respondents agree that the Administrator has jurisdiction over the Respondents and these matters pursuant to the Alaska Securities Act.

Respondents wish to resolve and settle this matter with the Administrator. As evidenced by the authorized signatures on this Order, Respondents consent to the entry of this Order to cease and desist violating the law based on the Conclusions of Law and Order.

Respondents waive their right to hearing under AS 45.55.920(d).

I. FACTS

1. Fractal Medical Solutions, Inc. (FMS) is a corporation organized under the laws of the State of Alaska. FMS was formed in Alaska on May 19, 2011 and was issued entity
number 135289 by the Division of Corporations, Business and Professional Licensing.

FMS’ primary business location and mailing address is 2440 E Tudor Rd. # 242, Anchorage, AK 99507.

2. Fractal OnCall Solutions, LLC (FOCS) is a limited liability company organized under the laws of the State of Alaska. FOCS was formed on January 30, 2013 and was issued entity number #10010304 by the Division of Corporations, Business and Professional Licensing. FOCS’ primary business address is 606 W. 4th Avenue, Suite 203, Anchorage, AK 99501, and its mailing address is 2440 E Tudor Road #242, Anchorage, AK 99507.

3. Between May 2011 and March 2013, FMS offered, sold and issued shares of common stock to ten separate Alaska investors. The shares of stock were not registered as securities with the State of Alaska, and no exemption from securities registration filing was made with the Division of Banking and Securities regarding the stock.

4. On or about March 1, 2013, FMS issued an evidence of indebtedness, convertible into shares of stock, to an eleventh Alaska investor.

5. On or about March 31, 2013, FMS’ shareholders voted to sell all shares of FMS stock in exchange for membership interests in FOCS, reorganizing FMS as FOCS. The LLC membership interests were not registered with the State of Alaska, and no exemption from registration filing was made with the Division of Banking and Securities regarding the interests.

6. FMS/FOCS operates a website located at www.fracmed.com. The website was created on March 5, 2011. As of at least April 4, 2013, the website included an “investor relations” tab which included the following text:

   The opportunity to get in on the ground floor and be part of an exciting medical market with tremendous growth potential makes this an important and unique investing opportunity.
If you are interested in investing in Fractal Medical Solutions and the future of healthcare communications using a smartphone in a connected mobile multi-media medical world, contact us as 206-257-3627 or email by completing the form below.

The investor relations tab was removed from the website in mid-April 2013.

7. The FMS/FOCS website, www.fracmed.com, contains a brochure with the following statement: “If you’d like to learn more about the solutions from CallDR, schedule a demonstration or discuss potential investment opportunities, contact us” (contact information follows). Respondents distributed approximately 220 of the fliers at a trade show in Las Vegas. No potential investors contacted respondents after receiving the flyer. The flyer was also available to the general public on the Respondents’ website, but was removed sometime in mid-May 2013.

8. On or about April 3, 2013, FOCS, through its former attorney, filed an expedited Notice of Rescission notifying the Division that it was offering to rescind the shares of FMS and the interest in FOCS on the basis that the shares issued by FMS and FOCS were unregistered with the Division. The Division had not been previously notified by FMS or FOCS that either entity had sold unregistered securities or that it failed to file necessary exemption paperwork. In cooperation with the Division’s investigation, Respondents’ current attorney withdrew the initial rescission filing.

9. Respondents’ current attorney has cooperated fully with the Division and offered to clarify the rescission offer to shareholders/interest holders and bring respondents into compliance with state laws and regulations.

10. On December 4, 2013 the Respondents, through their current attorney, filed a Notice of Rescission offering to rescind all shares of stock and LLC interests issued without exemption or registration by Respondents.
II. CONCLUSIONS OF LAW

1. The shares of common stock offered, sold and issued by FMS, the evidence of
   indebtedness issued by FMS, and the LLC interests issued by FOCS are securities under AS
   45.55.990(32).

2. The securities offered and sold by Respondents were not registered with the Division
   pursuant to AS 45.55.070 and no exemption from registration filings were made pursuant to
   AS 45.55.900 with the Division.

3. Because Respondents did not register the securities or qualify for exemptions,
   Respondents violated AS 45.55.070 by offering and selling those securities.

4. Respondents cooperated with the Division to resolve the registration issue through a
   rescission offer under AS 45.55.900(b)(19), AS 45.55.930 and 3 AAC 08.915.

III. ORDER

The Administrator, pursuant to AS 45.55.920 hereby ORDERS Respondents to:

1. CEASE AND DESIST the offer and sale of securities in violation of the Alaska
   Securities Act;

2. Remove all content advertising securities or soliciting investors from any website,
   brochure or other promotional materials;

3. Complete the rescission offer to all affected investors and file the required
   confirmation form 08-111A with the Division no later than 30 days from the date of the
   initial rescission filing.

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4. Comply with all provisions of this Order and the Alaska Securities Act, including associated regulations.

IT IS SO ORDERED.

SUSAN BELL, Commissioner
Department of Commerce, Community and Economic Development

December 4, 2013  /s/ Kevin Anselm
Date Kevin Anselm, Acting Director
Division of Banking and Securities

Consent to Entry of Order
Fractal Medical Solutions (FMS)

Kevin C. Halvorson, as authorized representative of FMS (Respondent) acknowledges that he has read the foregoing Order and that he knows and fully understands the Order contents; that Respondent has been represented by counsel in this matter; that Respondent acknowledges violation of the Alaska Securities Act; that Respondent has been advised of the right to a hearing; that Respondent voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that Respondent understands that the Administrator reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Alaska Securities Act, and that Respondent will fully comply with the terms and conditions stated herein.

Respondent further assures the Administrator that Respondent and its members, officers, employees and agents will only effect securities transactions in Alaska in full compliance with the terms of this Order, the Alaska Securities Act (AS 45.55) and regulations (3 AAC 08).
Respondent understands that this Consent Order is a public document.

12/04/2013
Date
By: Kevin C. Halvorson
Title: Vice President

SUBSCRIBED AND SWORN TO before me this 4th day of December, 2013, at Anchorage, Alaska.

/s/ Angela Hamann
Notary Public in and for Alaska
Angela Hamann
Notary Printed Name
My commission expires: 10/07/2014

Consent to Entry of Order
Fractal On-Call Solutions (FOCS)

Kevin C. Halvorson, as authorized representative of FOCS (Respondent) acknowledges that he has read the foregoing Order and that he knows and fully understands the Order contents; that Respondent has been represented by counsel in this matter; that Respondent acknowledges violation of the Alaska Securities Act; that Respondent has been advised of the right to a hearing; that Respondent voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that Respondent understands that the Administrator reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Alaska Securities Act, and that Respondent will fully comply with the terms and conditions stated herein.

Respondent further assures the Administrator that Respondent and its members, officers, employees and agents will only effect securities transactions in Alaska in full compliance with the terms of this Order, the Alaska Securities Act (AS 45.55) and
regulations (3 AAC 08).

Respondent understands that this Consent Order is a public document.

12/04/2013 /s/ Kevin C. Halvorson 
Date By: Kevin C. Halvorson 
Title: Vice President 

SUBSCRIBED AND SWORN TO before me this 4th day of December, 2013, at Anchorage, Alaska.

/s/ Angela Hamann 
Notary Public in and for Alaska 
Angela Hamann 
Notary Printed Name 
My commission expires: 10/07/2014

Approved as to Form 

/s/ Christopher Cyphers 
Christopher Cyphers, Attorney 
12/04/2013 Date 

Contact Person: 
Kristy M. Naylor 
Securities Examiner 
(907) 269-7675