

STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING AND SECURITIES

In the matter of: )  
Fractal Medical Solutions, Inc. ) ORDER NO: 13-764-S  
and ) ORDER TO CEASE AND DESIST,  
Fractal OnCall Solutions, LLC ) AND  
Respondents. ) 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

1 number 135289 by the Division of Corporations, Business and Professional Licensing.

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

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

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

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

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

20 6. FMS/FOCS operates a website located at [www.fracmed.com](http://www.fracmed.com). The website was  
21 created on March 5, 2011. As of at least April 4, 2013, the website included an "investor  
22 relations" tab which included the following text:

23 The opportunity to get in on the ground floor and be part of an exciting  
24 medical market with tremendous growth potential makes this an important  
and unique investing opportunity.

1 If you are interested in investing in Fractal Medical Solutions and the  
2 future of healthcare communications using a smartphone in a connected  
3 mobile multi-media medical world, contact us as 206-257-3627 or email  
by completing the form below.

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

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

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

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

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

1 **II. CONCLUSIONS OF LAW**

2 1. The shares of common stock offered, sold and issued by FMS, the evidence of  
3 indebtedness issued by FMS, and the LLC interests issued by FOCS are securities under AS  
4 45.55.990(32).

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

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

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

12 **III. ORDER**

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

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

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

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

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STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING AND SECURITIES  
550 WEST SEVENTH AVENUE, SUITE 1850  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 269-8140

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

3 IT IS SO ORDERED.

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

5  
6 December 4, 2013

7 Date

/s/ Kevin Anselm

Kevin Anselm, Acting Director  
Division of Banking and Securities

8  
9 Consent to Entry of Order  
Fractal Medical Solutions (FMS)

10  
11 Kevin C. Halvorson, as authorized representative of FMS (Respondent)

12 acknowledges that he has read the foregoing Order and that he knows and fully understands  
13 the Order contents; that Respondent has been represented by counsel in this matter; that  
14 Respondent acknowledges violation of the Alaska Securities Act; that Respondent has been  
15 advised of the right to a hearing; that Respondent voluntarily and without any force or  
16 duress, consents to the entry of this Order, expressly waiving any right to a hearing in this  
17 matter; that Respondent understands that the Administrator reserves the right to take further  
18 actions to enforce this Order or to take appropriate action upon discovery of other violations  
19 of the Alaska Securities Act, and that Respondent will fully comply with the terms and  
20 conditions stated herein.

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

1 Respondent understands that this Consent Order is a public document.

2 12/04/2013 /s/ Kevin C. Halvorson  
3 Date By: Kevin C. Halvorson  
4 Title: Vice President

5 SUBSCRIBED AND SWORN TO before me this 4<sup>th</sup> day of December, 2013, at Anchorage,  
6 Alaska.

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

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

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

24 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

1 regulations (3 AAC 08).

2 Respondent understands that this Consent Order is a public document.

3 12/04/2013

4 Date

/s/ Kevin C. Halvorson

By: Kevin C. Halvorson

Title: Vice President

5  
6 SUBSCRIBED AND SWORN TO before me this 4<sup>th</sup> day of December, 2013, at Anchorage,  
Alaska.

7 /s/ Angela Hamann

Notary Public in and for Alaska

8 Angela Hamann

Notary Printed Name

9 My commission expires: 10/07/2014

10 Approved as to Form

11  
12 /s/ Christopher Cyphers

Christopher Cyphers, Attorney

13 12/04/2013

14 Date

15 Contact Person:

16 Kristy M. Naylor

Securities Examiner

17 (907) 269-7675

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