

**STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE
CONCORD, NEW HAMPSHIRE**

IN THE MATTER OF:

Subchondral Solutions Inc.

RESPONDENT

No. INV15-0018

CONSENT ORDER

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Subchondral Solutions, Inc. (hereinafter referred to as "SSI") has submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as "the Bureau") has determined to accept. Accordingly, and without admitting or denying the allegations and findings herein, Respondent does hereby consent to following findings, conclusions, undertakings and sanctions:

The Facts

1. Respondent is a Delaware corporation based in Los Gatos, California.
2. In 2014, Respondent engaged in a distribution of its Series A Preferred stock which closed on June 11th, 2014. Subsequent distributions were also made in August and September of 2014. In this stock offering, Respondent made distributions beyond the numerical exemption limit of ten in a twelve consecutive month period.
3. On August 8th, 2014, Respondent made one sale to one New Hampshire customer who was without proper registration or exemption. At the Bureau's request, the Respondent offered the investor rescission and the offer was declined.

The Law

1. Pursuant to New Hampshire RSA 421-B:11, it is unlawful for any person to offer or sell any security in this state unless it is registered under this chapter, the security or transaction is exempted under RSA 421-B:17, or it is a federally covered security. Respondent is in violation of this chapter by failing to comply with the provision of RSA 421-B:17, II(a)(2) regarding the number of allowed sales in the offering, and therefore, the offering was unregistered and not exempt.

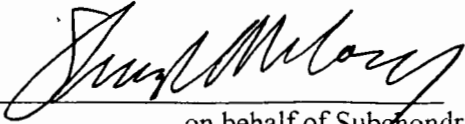
II. In view of the foregoing, the Respondent agrees to the following undertakings and sanctions:

1. Respondent agrees that that they have voluntarily consented to the entry of this Order and represents and avers that no employee or representative of the Bureau has made any promise, representation or threat to induce their execution.
 2. Respondent agrees to waive its right to an administrative hearing and any appeal therein under this chapter.
 3. Respondent agrees to, by Order, cease and desist from further violations under this chapter pursuant to RSA 421-B:23.
 4. Upon execution of this order by Respondent, Respondent agrees to pay an administrative fine in the amount of Twenty Five Hundred Dollars (\$2500) to the State of New Hampshire. Payment shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.
 5. Respondent agrees that this Order is entered into for purposes of resolving only the matter as described herein. This order shall have no collateral estoppel effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by Respondent which the Bureau has no knowledge at the time of the date of final entry of this order.

III. **Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Respondent cease and desist from violations of the act pursuant to RSA 421-B:23.
2. Respondent pay an administrative fine in the amount of Twenty Five Hundred Dollars (\$2500).
3. Respondent complies with the above-referenced undertakings.

Executed this 10th day of August, 2015.

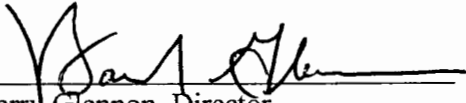


on behalf of Subchondral Solutions, Inc.

(Please print name below:

Cheryl McCoy

Entered this 1st day of September 2015



Barry Glennon, Director
Bureau of Securities Regulation