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STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

In the Matter of

Case No. S-14-0069

CLOUDABILITY, INC.,

FINAL ORDER TO CEASE AND
DESIST AND ASSESSING CIVIL
PENALTIES AND CONSENT TO
ENTRY OF ORDER.

Respondent.

The Director of the Department of Consumer and Business Services for the State of Oregon (the "Director") has determined that Cloudability, Inc. ("Cloudability") violated certain provisions of ORS 59.005 to 59.451, 59.991 and 59.995 (the "Oregon Securities Law"); and

Cloudability agrees to waive its right to an administrative hearing and to resolve and settle this matter by CONSENTING to entry of this Final Order.

Now, therefore, as evidenced by the authorized signature subscribed on this document, the Director issues the following Final Order:

I. FINDINGS OF FACT

The Director FINDS that:

1. Cloudability is a Delaware corporation that was registered as a foreign corporation in Oregon in 2011 (Business Registry # 779638-91). Its principal place of business is 718 SW Alder, Suite 300; Portland, OR 97205. Matthew Ellis is Cloudability's President.

2. On or about September 2011, pursuant to OAR 441-065-0270, Cloudability submitted to the Division of Finance and Corporate Securities ("DFCS") an application to register stock options ("Stock Options") that it intended to grant to its employees and

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street, NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





1 service providers pursuant to the terms of its 2011 Equity Incentive Plan (the “Plan”).
2 DFCS registered the securities on or about October 20, 2011 (File #2011-1633).

3 3. Upon application, DFCS renewed the registration on or about October 22,
4 2012. Cloudability failed to submit an application to renew its securities registration
5 when the registration expired on October 22, 2013.

6 4. On November 20, 2014, Cloudability disclosed to DFCS that since November
7 13, 2013 it has granted Stock Options to 24 employees and service providers, including
8 21 employees and service providers that were located in Oregon. None of those Stock
9 Options have been exercised.

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II. CONCLUSIONS OF LAW

13 The Director CONCLUDES that:

14 5. On or between November 13, 2013 to the date of this Order, Cloudability
15 offered and sold securities in Oregon that were not registered under ORS 59.065 in
16 violation of ORS 59.055.

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III. ORDER

18 Now, therefore, the Director issues the following ORDER:

19 6. Pursuant to the authority under ORS 59.245, the Director ORDERS
20 Cloudability to CEASE AND DESIST from violating any provision of ORS Chapter 59
21 or Oregon Administrative Rules Chapter 441 promulgated thereunder.

22 7. Pursuant to the authority under ORS 59.995, the Director ASSESSES a CIVIL
23 PENALTY of SEVEN HUNDRED FIFTY DOLLARS (\$750.00) against Cloudability
24 for its violation of ORS 59.055. The Civil Penalty is due and payable in full at the time
25 of entry of this Order.

26 8. This Order is a “Final Order” under ORS 183.310(6)(b). It is not subject to

1 judicial review under ORS Chapter 183. For purposes of Rule 506(d) of the Securities
2 Act of 1933, as amended, this Final Order does not include findings that Cloudability
3 engaged in fraudulent, manipulative, or deceptive conduct and disqualification under
4 Rule 506(d)(1) should not arise as a consequence of this Final Order.

5 9. Subject to ORS 183.310(6)(b), the entry of this Order does not limit other
6 remedies that are available to the Director under Oregon law.

7 IT IS SO ORDERED.

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9 Dated this 22nd day of January, 2015.

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PATRICK M. ALLEN, Director
Department of Consumer and Business Services

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/s/ David Tatman
David C. Tatman, Administrator
Division of Finance and Corporate Securities

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1 CONSENT TO ENTRY OF ORDER BY CLOUDABILITY, INC.

2 Subject to ORS 59.135(4), by signing this Final Order, Cloudability, Inc.
3 (“Cloudability”) is attesting that it has read this Final Order and knows and fully
4 understands its contents; and that it consents to the entry of this Final Order and will fully
5 comply with its terms.

6 Cloudability further attests that it has been advised of its right to a hearing and
7 voluntarily and without any force or duress expressly waives any right to a hearing in this
8 matter.

9 Cloudability understands that this this Final Order is a public document.

10 Mat Ellis is the CEO & Founder of Cloudability, Inc. and is
11 authorized to enter into this this Final Order on behalf of Cloudability, Inc.

12 Cloudability, Inc.

13 By: /s/ Mat Ellis
14 Signature

15 Mat Ellis
16 Printed name

17 CEO & Founder
18 Position held

19 State of Oregon

20 County of Multnomah

21 Subscribed and sworn before me Mat Ellis Jan. 7, 2015.

22 /s/ Sandra L Lissman
23 Notary Public

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