

**ADMINISTRATIVE PROCEEDING**  
**BEFORE THE**  
**SECURITIES COMMISSIONER OF SOUTH CAROLINA**

**IN THE MATTER OF:** )  
 )  
 )  
**Richard L. Grounsell and** )  
**Collaborative Med, LLC,** )  
 )  
**Respondents.** )  
\_\_\_\_\_ )

**ORDER TO CEASE AND DESIST**  
  
**File Number 08003**

WHEREAS the Securities Division of the Office of the Attorney General of the

State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. §§ 35-1-101 to 35-1-703 (Supp. 2008), in or around February 4, 2008, received information regarding alleged activities involving Richard L. Grounsell ("Grounsell") and Collaborative Med, LLC ("CoMed") (collectively, the "Respondents") which would constitute violations of the Act;

WHEREAS, the Act became effective on January 1, 2006;

Desist ("Order") a statement of the reasons for the Order, a statement of the civil penalty sought as a result, and a notice that a hearing will be scheduled if either Respondent requests a hearing.

### FACTUAL HISTORY

1. Respondent Grounsell is a South Carolina resident with a last known address of

[REDACTED]

2. At all times material herein, Respondent CoMed was owned and/or controlled, in whole or part, by Respondent Grounsell.
  3. The primary business address for Respondent CoMed during the time period of
- [REDACTED]

Readers Demand Changes required three years to enact and indicated the changes

could not be so sold for "at least 2 years" unless the company was sold on a

security, or the transaction in which the shares were sold or the shares themselves  
were exempt from registration under the Act

Respondent CoMed, began offering for sale and selling the GT Shares of  
GlucoTec stock.

17. During the time period on or about May 22, 2006, through on or about December

4. Pursuant to Section 35-1-402(a) of the Act, it is unlawful for a person to transact business in this State as an agent unless the individual is registered under the Act as an agent or is exempt from registration as an agent under the Act.
5. Pursuant to Section 35-1-301 of the Act, it is unlawful for a person to offer or sell a security in this State unless (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under Sections 35-1-201 through 35-1-203; or (3) the security is registered under the Act.
6. Pursuant to Section 35-1-503(a) of the Act, in a civil action or administrative proceeding under the Act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim.
7. Pursuant to 35-1-501 of the Act, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly: (1) to employ a device,

9. Regarding administrative remedies under the Act:

Commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act, the ~~Commissioner~~ Commissioner may issue an order directing the person to cease

engaged, are engaging, or about to engage in an act, practice, or course of dealing

constituting a violation of the Antitrust laws enacted or ordered under the Act as

follows:

a. During the time period May 22, 2006, through on or about December 31, 2007,

Respondents effected at least seventy (70) transactions involving sales of the GT

Shares.

b. The offers of the GT Shares were made in and from the State of South Carolina.

c. The GT Shares constitute "securities" pursuant to the Act.

d. The GT Shares were not registered for sale in or from the State of South Carolina.

e. Respondents are not now and during the time period of the offers and sales of GT

Shares described in (c) and (d) above were not licensed to sell securities in or

**CEASE AND DESIST ORDER**

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1) of the Act, it is **HEREBY ORDERED** that each Respondent:

- a. Cease and desist from offering and/or selling securities, in violation of Sections 35-1-301, 35-1-401 and 35-1-501 of the Act; and
- b. Pay a civil penalty in the amount of one hundred thousand dollars (\$100,000.00) if this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and a hearing officer or any other legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars (\$10,000.00) for each violation of the Act committed by that Respondent.

**REQUIREMENT OF ANSWER AND  
NOTICE OF OPPORTUNITY FOR HEARING**

Respondents are hereby notified that they each have the right to a hearing on the



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