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IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

PLAINTIFF,

v.

RYAN L. COOK, an individual, and
HELPMED, INC., a Utah Corporation,

DEFENDANTS;

and

RICHARD LARSEN, an individual, and
RICHARD LARSEN d/b/a RICHARD AND
PEGGY LARSEN FARMS,

RELIEF DEFENDANTS.

COMPLAINT

Case No.: 2:15cv00416-BSJ

Judge: Bruce S. Jenkins

Plaintiff, Securities and Exchange Commission (the “Commission”), for its Complaint
against defendants Ryan L. Cook (“Cook”) and HelpMed, Inc. (“HelpMed”) (collectively,

“Defendants”) and Relief Defendants Richard Larsen and Richard Larsen d/b/a Richard and Peggy Larsen Farms (collectively “Relief Defendants”) alleges as follows:

INTRODUCTION

1. This matter arises out of Ryan Cook’s fraudulent conduct in the offer and purchase and sale of common stock of HelpMed, Inc., a Utah corporation that purportedly provides medical recruiting services for healthcare facilities to hire doctors and other medical providers for temporary and permanent placements.

2. In February 2015, Cook, who is a founder of HelpMed, wished to sell HelpMed common stock that he owned. In order to obtain top value for the stock, Cook devised and implemented a scheme to defraud at least three investors of \$2 million through the use of written and oral misrepresentations related to HelpMed’s sales, receivables, customers, technology and software. To further his scheme, Cook fabricated invoices, accounts receivables, customer lists, and sales projections and enlisted others to pose as HelpMed customers to provide glowing reviews of HelpMed to investors and potential investors.

3. Based on Cook’s representations, investors purchased \$2 million of common stock from Cook in March 2015, which represented a negotiated 10% equity position in HelpMed. On March 13, 2015, investors and Cook executed a Common Stock Purchase Agreement in which the investors agreed to purchase from Cook \$2 million of HelpMed common stock. Cook executed the agreement on behalf of himself individually and as CEO of HelpMed.

4. Cook claimed that HelpMed had certain technological advantages over other businesses that offered similar services, including the proprietary software for “ProxyWorx.” Cook claimed that ProxyWorx, through an automated, easy-to-use on-line site enabled healthcare facilities to recruit and hire medical providers quickly, affordably, and transparently. Cook

claimed that HelpMed launched its ProxyWorx service in January 2015 and had experienced rapid growth during the first two months. Cook told potential investors that HelpMed earned over \$3.8 million in revenue during January and February 2015 and had over 12,000 providers and over 8,000 hospitals in the ProxyWorx system.

5. Contrary to Cook's claims, as of early May 2015, there were only approximately 100 healthcare providers and four hospitals in the ProxyWorx system and not all of the providers listed were actual healthcare providers. In addition, during the entire time that ProxyWorx was up and running, there was never a match between a provider and a hospital or clinic, and therefore, HelpMed never generated revenue through ProxyWorx.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction by authority of Sections 20 and 22 of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77t and 77v], and Sections 21 and 27 of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §§ 78u and 78aa].

7. Defendants, directly and indirectly, singly and in concert, have made use of the means and instrumentalities of interstate commerce and the mails in connection with the transactions, acts and courses of business alleged herein, certain of which have occurred within the District of Utah.

8. Venue for this action is proper in the District of Utah under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the transactions, acts, practices, and courses of business alleged in this Complaint took place in this district and because Defendants reside in and transact business in this district.

9. Defendants, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices, and courses of business alleged herein and in transactions, acts, practices, and courses of business of similar purport and object.

10. Defendants' conduct took place in connection with the offer, purchase and/or sale of common stock by Cook, which are securities.

DEFENDANTS

11. **Ryan L. Cook** ("Cook"), age 35, is a resident of Highland, Utah. Cook is a founder, president and registered agent of HelpMed, Inc.

12. **HelpMed, Inc.** ("HelpMed") is an active Utah corporation with its principal place of business in Highland, Utah. HelpMed purportedly provides medical recruiting services for healthcare facilities to hire temporary doctors and other medical providers.

RELIEF DEFENDANTS

13. **Richard Larsen**, age 61, resides in Rexburg, Idaho and **Richard Larsen d/b/a/ Richard and Peggy Larsen Farms** (collectively "Larsen") is an assumed business name registered in the State of Idaho. Richard Larsen is Cook's uncle and received \$938,011.02 of investor funds from Cook. The wire in the amount of \$938,011.02 was sent to the account of Richard and Peggy Larsen Farms, a d/b/a of Richard Larsen.

STATEMENT OF FACTS

14. HelpMed, a Utah corporation, was established in April 2011. Cook is a founder and the president of HelpMed. HelpMed purportedly locates *locum tenens*¹ and permanent vacancies in hospitals or clinics and matches medical providers with those vacancies.

¹ *Locum tenens*, from the Latin meaning one holding a place, is a person who temporarily fulfills the duties of another. When healthcare employers face temporary staffing shortages due

Material Misrepresentations and Omissions

15. On or about February 28, 2015, Cook met with potential investors seeking to sell \$2 million worth of his personal stock in HelpMed. Cook orally represented to the investors that HelpMed had certain technological advantages over other businesses that offered similar services, including the proprietary software for “ProxyWorx.” Cook claimed that ProxyWorx, through an automated, on-line site that was easy to use, enabled healthcare facilities to recruit and hire medical providers quickly, affordably, and transparently.

16. Cook claimed that HelpMed launched its ProxyWorx service in January 2015 and had experienced rapid growth during the first two months. Cook told potential investors that HelpMed earned over \$3.8 million in revenue during January and February 2015 and had over 12,000 providers and over 8,000 hospitals in the ProxyWorx system.

Use of Falsified Information and Documents to Conceal the Scheme

17. To support his claims, Cook provided investors with fabricated documents, including a “ProxyWorx, Inc., A/R Aging Summary, As of February 27, 2015,” which listed approximately 87 client hospitals with earned revenues totaling \$3,804,960; a profit and loss statement; a ProxyWorx customer list; and ProxyWorx invoices.

18. On or about March 3, 2015, investors wired \$650,000 to Cook’s personal bank account. However, prior to providing the remaining funds for the \$2 million investment, investors requested that Cook provide contact information for some of the HelpMed customers.

19. On or about March 3, 2015, Cook arranged for “Jenene” at Great Falls Clinic and “Tom” at Asian Pacific Healthcare Venture to separately call in to prearranged conference calls

to vacations, illness or other causes, they hire *locum tenens* physicians and clinicians to fill those vacancies in order to maintain quality of patient care.

with investors. During the conference calls, “Jenene” and “Tom” both gave glowing reviews of HelpMed.

20. On or about March 13, 2015, after gaining additional confidence from the interactions with Cook, investors wired the remaining \$1,350,000 to Cook.

21. Based on Cook’s representations, investors purchased \$2 million of common stock from Cook, which represented a negotiated 10% equity position in HelpMed. On March 13, 2015 investors and Cook executed a Common Stock Purchase Agreement in which the investors agreed to purchase from Cook \$2 million of HelpMed common stock. Cook executed the agreement on behalf of himself individually and as CEO of HelpMed.

22. A review of the information on the ProxyWorx server on or about May 6, 2015, showed that there were not thousands of hospitals and doctors in the system as represented by Cook, but only a few hospitals and a few dozen doctors. While the ProxyWorx website was launched in beta form in approximately August 2014, as of early May 2015, there were only approximately 100 healthcare providers and four hospitals in the ProxyWorx system and not all of the providers listed were actual healthcare providers. During the entire time that ProxyWorx was up and running, there was never a match between a provider and a hospital or clinic, and therefore, HelpMed never generated revenue through ProxyWorx.

23. Investors soon discovered that Cook’s representations regarding HelpMed’s sales, clients, receivables, and projections were false. Investors also learned that neither Asian Pacific Healthcare Venture nor Great Falls Clinic were customers of ProxyWorx, and were not even aware of Cook or HelpMed. Investors also discovered that various documents, including company accounting records, invoices, and other records were fabricated by Cook to support his misrepresentations.

24. After discovering this information, investors confronted Cook about the lack of purported clients and sales. Cook told investors that the ProxyWorx data had been moved from the server. Cook claimed that on February 19, 2015, an official from the Department of Labor and two FBI agents showed up at Cook's home and that he and the Department of Labor agreed that Cook would be paid \$40,000 a month to provide the Department of Labor access to the data and software of HelpMed.

25. Cook falsely claimed that he had signed a non-disclosure agreement with a senior official from the Department of Labor and that because he had broken the non-disclosure agreement by disclosing the agreement to investors, Cook had committed treason. To perpetuate his lie, Cook provided investors with pictures of the non-disclosure agreement and pictures of bank records showing purported deposits of \$40,000 into his account by the Department of Labor.

26. Investors continued to press Cook for proof that the information he had given them about HelpMed's current operations was true. In response, on May 11, 2015, Cook requested that two investors meet Cook in a remote area of Utah. Rather than meet Cook, investors contacted the police who located Cook in Utah's west desert with a rifle and two handguns. Cook claimed that he was contemplating suicide and was hospitalized.

27. Soon thereafter, one investor spoke with Cook by telephone. Cook told the investor that he "just want[ed] to make everything right" and make the investor whole. Cook wrote the investor a check for \$78,033, all of the funds that remained from the \$2 million investment. However, before the investor could cash the check, Cook transferred the \$78,033 to a different account.

28. Bank records show that Cook used investor funds in a variety of ways, including transferring funds to friends and family and personal purchases. Cook wired almost half of the invested funds, \$938,011.02, to Richard and Peggy Larsen Farms, an “assumed business name” located in Rexburg, Idaho. Other uses include the purchase of a house in Highland, Utah for \$549,111.02, and the purchase of a Lexus for \$65,715.64.

Materiality of Misrepresentations

29. Cook’s misrepresentations to investors and potential investors are material because investors would find it important to their investing decisions that Cook did not have 12,000 providers and 8,000 hospitals in the ProxyWorx system including either the Great Falls Clinic or Asian Pacific Healthcare Venture, did not have revenue of over \$3.8 million in January and February 2015, and had not generated any revenue through the ProxyWorx system. In fact, the largest investor has stated he would not have invested with Mr. Cook and HelpMed but for these representations.

FIRST CAUSE OF ACTION EMPLOYMENT OF A DEVICE, SCHEME OR ARTIFICE TO DEFRAUD Violation of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]

30. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 29 above.

31. Defendants, Cook and HelpMed, by engaging in conduct described above, directly or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, with scienter, employed devices, schemes, or artifices to defraud.

32. By reason of the foregoing, Cook and HelpMed, directly or indirectly, violated, and unless restrained and enjoined by this Court, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

SECOND CAUSE OF ACTION
FRAUD IN THE OFFER OR SALE OF SECURITIES
Violations of Sections 17(a)(2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(2) and (3)]

33. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 29 above.

34. Defendants Cook and HelpMed, by engaging in the conduct described above, directly and indirectly, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which operate or would operate as a fraud or deceit upon the purchaser.

35. By reason of the foregoing, Cook and HelpMed, directly or indirectly, violated, and unless restrained and enjoined will continue to violate, Sections 17(a)(2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(2) and (3)].

THIRD CAUSE OF ACTION
FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES
Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(a), (b), and (c) thereunder [17 C.F.R. § 240.10b-5(a), (b), and (c)]

36. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 29 above.

37. Defendants Cook and HelpMed, by engaging in the conduct described above, directly or indirectly, by the use of means or instrumentalities of interstate commerce or use of the mails, in connection with the purchase or sale of securities, with scienter, employed devices,

schemes, or artifices to defraud, or engaged in acts, practices, or courses of business that operated or would operate as a fraud and deceit upon other persons.

38. By reason of the foregoing, Cook and HelpMed violated, and unless restrained and enjoined will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5(a), (b), and (c) thereunder [17 C.F.R. § 240.10b-5(a), (b), and (c)].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that Defendants committed the violations charged herein.

II.

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that permanently enjoins Defendants and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Sections 17(a)(1), (2) and (3) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5(a), (b) and (c) thereunder.

III.

Issue, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, orders that permanently enjoins Defendants and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them,

who receive actual notice of the order by personal service or otherwise, and each of them, from transferring, changing, wasting, dissipating, converting, concealing, or otherwise disposing of, in any manner, any funds, assets, claims, or other property or assets owned or controlled by, or in the possession or custody of Defendants.

IV.

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that permanently restrain and enjoin Defendants, and each of them, and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, books, records, computer programs, computer files, computer printouts, correspondence, including e-mail, whether stored electronically or in hard copy, memoranda, brochures, or any other documents of any kind that pertain in any manner to the business of Defendants.

V.

Enter an order directing Defendants, and each of them, to pay civil money penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

VI.

Enter an order directing Defendants to disgorge all ill-gotten gains received during the period of violative conduct and pay prejudgment interest on such ill-gotten gains.

VII.

Pursuant to Section 21(d)(2) of the Exchange Act prohibit Cook serving as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

VIII.

Declare and impose a constructive trust on all property received by Relief Defendants and require them to disgorge the property they obtained from Defendants as a result of the illegal conduct alleged herein.

IX.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

Dated June 12, 2015.

Respectfully submitted,



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Securities and Exchange Commission