



**New Mexico Regulation and Licensing Department
SECURITIES DIVISION**

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May 10, 2016

VIA ELECTRONIC MAIL ONLY

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James T. Taylor, III
SVP, General Counsel and Secretary
c/o Keith Petersen (keith@gimbal.com)
Gimbal, Inc.
11010 Roselle St, Ste. 150
San Diego, CA 92121

RE: No-Action Letter Request for Gimbal, Inc.

Dear Mr. Taylor:

The New Mexico Securities Division (the "Division") is in receipt of your request and all supplemental documentation, made on behalf of Gimbal, Inc. (the "Issuer"), which requests that the Division take no action against the Issuer for potential violations of laws and rules enumerated under the New Mexico Uniform Securities Act (the "Act"), referenced below. Specifically, you request the Division take no action against the Issuer for failing to comply with filing requirements enumerated in NMSA 1978, Section 58-13C-202N ("202N") and Rule 12.11.12.14 of the New Mexico Administrative Code (the "Rule").

According to your letter and other documents provided in support of your letter, the Issuer is a Delaware corporation with its primary office in San Diego, California. In 2015, the Issuer made a private placement of its stock in consideration of the acquisition of Phigital, Inc. to twenty-eight (28) investors. Stemming from that private placement, on September 30, 2015, the Issuer sold shares from that offering to a single New Mexico investor.

Generally speaking, under 202N, a transaction can qualify for an exemption from the registration requirements of the Act if there are less than ten New Mexico investors, if there is no general solicitation, if there were no commissions or other remunerations paid in relation to the sales made in the offering, and if the issuer believes the New Mexico investors are purchasing for investment purposes. Under the Rule, it is specifically required that a "completed form 202N must be filed with the director no less than five business days before the first sale of securities in this state."

According to your letter and supplemental information, the Issuer wishes to qualify for the 202N exemption for its private placement offering surrounding the Phigital, Inc. acquisition, described above. For that transaction, the Issuer has now

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filed with the Division a Form 202N, as required under the Rule. That form was filed on February 16, 2016. According to your letter and all other information being considered, the first sale under that transaction was made to a New Mexico resident on September 30, 2015, which means the Form 202N must have been received by the Division by September 23, 2015 in order for that transaction to be compliant with New Mexico law. It is for this specific infraction that you ask for no action to be taken. The Division has considered and reviewed all pertinent paperwork and filings from the Issuer and we hereby provide a statement of No-Action for the Issuer.

Therefore, pursuant to NMSA 1978, Section 58-13C-605D, of the Act, the Division will take no enforcement action against the Issuer for transacting in the sale of securities in the limited context described herein without filing the proper and necessary paperwork in a timely manner. This decision is made only in consideration of the information contained or referenced in this letter and the adoption of the facts and analysis contained in the referenced documents, only. This decision does not reflect a legal conclusion regarding the outlined conduct of the Issuer. Moreover, this decision should not be construed as setting forth any position the Division would take regarding the anti-fraud provisions of the Act, as they would apply to the transactions discussed above. Different facts and circumstances may cause the Division to reach a different conclusion. The relief in this letter applies only to the parties identified and the circumstances described in this letter.

Sincerely,



Alexis Lotero, Deputy Director
New Mexico Securities Division

AL/bt