

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING ) Order No.: S-16-1863-16-CO01  
Whether there has been a violation of the )  
Securities Act of Washington by: ) CONSENT ORDER  
)  
Dental Data Tech, Inc., )  
Wesley O. Kronick, )  
)  
)  
Respondents. )

---

**INTRODUCTION**

On May 2, 2016, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose a Fine, and to Charge Costs (“Statement of Charges”), Order Number S-16-1863-16-SC01, against Respondents Dental Data Tech, Inc. and Wesley O. Kronick. Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondents Dental Data Tech, Inc. and Wesley O. Kronick do hereby enter into this Consent Order in settlement of the matters set forth in the Statement of Charges and as alleged below. Respondents Dental Data Tech, Inc. and Wesley O. Kronick neither admit, nor deny the Findings of Fact and Conclusions of Law as stated below.

**FINDINGS OF FACT**

**Respondents**

1. Dental Data Tech, Inc. (“Dental Data”) is a Wyoming corporation formed on January 9, 2013 with its principal place of business in Seattle, Washington. Dental Data was administratively dissolved on March 11, 2015. Dental Data’s primary business purpose was to provide electronic recordkeeping and cloud storage for dentists.



## Misrepresentations and Omissions

1  
2 6. When soliciting the investment, Kronick falsely and misleadingly represented that Dental  
3 Data stock was currently valued at \$1 per share. The Respondents each failed to disclose the assumptions or  
4 provide any reasonable basis for the stock valuation. The Respondents failed to disclose the assets and  
5 liabilities of the corporation. The Respondents failed to provide any financial statements for Dental Data or  
6 for Kronick's other business, Northwest IT Guys, Inc. The Respondents failed to disclose that Northwest IT  
7 Guys, Inc. was not currently registered with the Department of Revenue and could potentially owe  
8 significant unpaid taxes, for which Kronick would be personally liable. The Respondents also failed to  
9 disclose that Kronick had paid off an outstanding IRS tax lien of more than \$140,000 during 2012. The  
10 Respondents each failed to disclose to the investor that Kronick had filed for bankruptcy in October 2005.  
11 The Respondents failed to disclose other risks of the Dental Data investment, including inadequate  
12 capitalization, unproven market, competition, conflicts of interest, regulatory risks, and technology risks.  
13

## Investor Repayments

14  
15 7. In January 2015, Kronick made a \$5,000 payment to the investor using the Dental Data bank  
16 account. The Dental Data bank account statements showed that most of the deposits in the account, apart  
17 from the investor's funds, came from checks written on the Northwest IT Guys account with memo  
18 notations about cloud services. In June 2015, when it appeared that Dental Data was a failing business, the  
19 investor wrote himself a check from the Dental Data bank account for \$1,000 to partially repay the  
20 investment. Kronick then removed the investor as a signer on the account. The investor asked Kronick to  
21 repay the balance of the investment. Kronick gave the investor a bracelet that Kronick claimed, without  
22 substantiation, had a value of approximately \$8,000. No additional repayments were made.  
23

24  
25 Based upon the above Findings of Fact, the following Conclusions of Law are made:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**CONCLUSIONS OF LAW**

1. The offer and/or sale of the stock described above constitute the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

2. Dental Data Tech, Inc. and Wesley O. Kronick have each violated RCW 21.20.010, because, as set forth in the Findings of Fact, Respondents made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

Based upon the foregoing and finding it in the public interest:

**CONSENT ORDER**

IT IS AGREED AND ORDERED that Respondents Dental Data Tech, Inc. and Wesley O. Kronick, their agents, and employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondent Wesley O. Kronick shall be liable for and shall pay a fine of \$1,000, with one payment of \$500 due prior to the entry of this Consent Order and one payment of \$500 due within one month following the entry of this consent order.

IT IS FURTHER AGREED AND ORDERED that Respondent Wesley O. Kronick shall be liable for and shall pay investigative costs of \$500. The \$500 costs shall be due within one month after the fine has been paid in full.

IT IS FURTHER AGREED that if Wesley O. Kronick fails to make any monthly payment, the fines and investigative costs imposed shall become immediately due and payable, and the Securities Division may seek enforcement of the Consent Order pursuant to RCW 21.20.395.

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

IT IS FURTHER AGREED that Respondents Dental Data Tech, Inc. and Wesley O. Kronick, entered into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondents, Dental Data Tech, Inc. and Wesley O. Kronick, each waive their right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

**WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

Signed this 23 day of May, 2016

Signed by:  
Dental Data Tech, Inc.

/s/ \_\_\_\_\_  
Wesley O. Kronick  
President

Signed by:  
/s/ \_\_\_\_\_  
Wesley O. Kronick, Individually

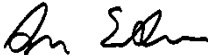
SIGNED and ENTERED this 9th day of June, 2016



\_\_\_\_\_  
William M. Beatty  
Securities Administrator

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Approved by:



Suzanne Sarason  
Chief of Enforcement

Presented by:



Janet So  
Financial Legal Examiner

Reviewed by:



Robert Kondrat  
Financial Legal Examiner Supervisor