

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

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In the Matter of AMS Holdings, LLC,)	CEASE AND DESIST ORDER,
a North Dakota limited liability company,)	NOTICE OF CIVIL PENALTIES,
and Bradley J. Stroup, a/k/a Brad Stroup,)	ORDER FOR RESCISSION,
)	AND
)	NOTICE OF RIGHT TO
Respondents.)	REQUEST A HEARING

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THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO:
AMS HOLDINGS, LLC, a North Dakota limited liability company, and BRADLEY J.
STROUP, a/k/a BRAD STROUP, RESPONDENTS.

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. Respondent, AMS Holdings, LLC, (hereinafter, "AMS") is a North Dakota limited liability company operated and controlled by Respondent, Bradley J. Stroup, a/k/a Brad Stroup, (hereinafter, "Stroup") with its principal office described as 820 3rd Street North, Fargo, North Dakota 58102. AMS is not now and has never been registered as an issuer-dealer or broker-dealer with the North Dakota Securities Department.
2. Respondent Stroup is a resident of Fargo, North Dakota, who, for all times relevant to this matter, operated and controlled AMS as its principal officer. Stroup is not now and has never been registered as an agent with the North Dakota Securities Department.

3. On or about January 1, 2019, Respondents AMS and Stroup engaged in the offer for sale and sale of an unregistered promissory note issued by AMS and signed by Stroup in the principal amount of \$71,000.00, together with interest at a variable rate and an initial rate of 6.0%, to Jamieson CAPEX Fund, LLC, a private fund entity operated and controlled by Jeremy Carlson, in Fargo, North Dakota. Between March 20, 2019, and July 22, 2020, in a series of eight separate transactions, the principal amount of the note was increased from \$71,000.00 to a total of \$112,650.00 with the source of the additional investment also coming from Jamieson CAPEX Fund, LLC as directed by Carlson. Upon information and belief, all principal and interest accrued and owed to Jamieson CAPEX Fund, LLC remains unpaid by AMS and Stroup.
4. On or about June 7, 2021, Respondents AMS and Stroup engaged in the offer for sale and sale of an unregistered promissory note issued by AMS and signed by Stroup in the principal amount of \$25,000.00, together with interest at a variable rate and an initial rate of 6.0%, to Jamieson Natural Resources, LLC, a private fund entity operated and controlled by Jeremy Carlson, in Fargo, North Dakota. Between August 11, 2021, and January 19, 2022, in a series of six separate transactions, the principal amount of the note was increased from \$25,000.00 to a total of \$238,687.00 with the source of the additional investment all coming from Jamieson Natural Resources, LLC as directed by Carlson. Upon information and belief, all principal and interest accrued and owed to Jamieson Natural Resources, LLC remains unpaid by AMS and Stroup.
5. The promissory notes offered for sale and sold by Respondents in North Dakota as described are "securities" as defined in N.D.C.C. §10-04-02(19). N.D.C.C. §10-04-04

requires that securities offered for sale or sold in North Dakota be registered or exempt from registration.

6. The promissory notes offered for sale and sold by Respondents in North Dakota as described have not been registered with the Securities Department under N.D.C.C. §§ 10-04-07, 10-04-07.1, 10-04-07.2, 10-04-08, or 10-04-08.1; are not exempt securities under N.D.C.C. § 10-04-05; and have not been offered for sale or sold in exempt transactions under N.D.C.C. § 10-04-06; and are not federal covered securities or have not properly filed as federal covered securities under N.D.C.C. § 10-04-08.4. The offers and sales of the subject investments were made in violation of N.D.C.C. § 10-04-04. Respondent AMS and Respondent Stroup each engaged in sixteen violations of N.D.C.C. § 10-04-04.
7. The transactions referenced above were conducted at a time when AMS was not registered as an issuer-dealer or broker-dealer with the Securities Department. AMS engaged in sixteen violations of N.D.C.C. § 10-04-10(1).
8. Respondent Stroup was not registered as an agent with the Securities Department at the times of the transactions referenced above. Stroup engaged in sixteen violations of N.D.C.C. §10-04-10(2).
9. Pursuant to N.D.C.C. § 10-04-16(1), the Securities Commissioner has the authority to Order that a person Cease and Desist from violations of the Securities Act, to rescind transactions made in violations of the Securities Act, and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act or a total of \$640,000 based on the violations described above. The violations described above are

sufficient grounds for the Commissioner to assess civil penalties against the Respondents pursuant to N.D.C.C. § 10-04-16(1).

10. This Order is issued in the public interest, and for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that the Respondents shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject securities, or any other securities however denominated, unless and until such securities have been registered with the Department or are exempt from registration under N.D.C.C. Chapter 10-04.
2. From offering for sale or selling securities, or effecting transactions in securities, in North Dakota unless and until they have registered with the Securities Department as issuer-dealers, broker-dealers or agents or are exempt from registration under N.D.C.C. Chapter 10-04.

NOTICE OF CIVIL PENALTIES

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to N.D.C.C. § 10-04-16(1). The Securities Commissioner does not herein assess a civil penalty, but the Commissioner expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order. The Commissioner reserves the authority to direct any penalties to the North Dakota Investor Restitution Fund, for the purpose of repaying aggrieved investors, as appropriate.

ORDER FOR RESCISSION

The Securities Commissioner further Orders that the Respondents shall rescind the securities transactions described herein, and any additional unregistered transactions subsequently discovered, within thirty days of the date of this Order, for the full amount paid for the securities, plus interest, and less any amounts previously repaid, pursuant to the provisions of N.D.C.C. §§ 10-04-16(1) and 10-04-17, by paying said sum into the North Dakota Investor Restitution Fund maintained and administered by the Commissioner under Chapter 10-04 of the North Dakota Century Code, for the purpose of repaying aggrieved investors, as appropriate. The member investors of the Jamieson CAPEX Fund, LLC, and Jamieson Natural Resources Fund, LLC, are the intended third party beneficiaries of this Order, and may seek to enforce their interests hereunder, pending further Order of the Commissioner.

NOTICE OF RESERVATION OF COMMISSIONER'S AUTHORITY TO AMEND ORDER

YOU ARE HEREBY NOTIFIED that the above-cited violations are sufficient grounds for the relief imposed in this Order. The Department's investigation of the Respondents continues and the Commissioner expressly reserves the authority to Order additional relief under N.D.C.C. Chapter 10-04, regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order, in the public interest and for the protection of investors.

NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 10-04-12 you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The Respondents have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 19th day of July, 2023.





Karen J. Tyler, Securities Commissioner
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