

**STATE OF NORTH DAKOTA**  
**SECURITIES DEPARTMENT**

In the Matter of Main Street Hospitality, )  
L.L.C., a South Dakota limited liability ) **CONSENT ORDER**  
company, and Robert Pagan, )  
Respondents. )

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The North Dakota Securities Commissioner has advised the Respondents, Main Street Hospitality, L.L.C., and Robert Pagan, that the Commissioner is prepared to commence formal action pursuant to Chapter 10-04 of the North Dakota Century Code and has determined as follows:

1. Respondent, Main Street Hospitality, L.C.C., (hereinafter, "Main Street") is a South Dakota limited liability company operated and controlled by Respondent, Robert Pagan, (hereinafter, "Pagan") as Managing Member, with its principal office at 625 East Disk Drive, Suite 300, Rapid City, South Dakota. Main Street is not now and has never been registered as an issuer-dealer or broker-dealer with the North Dakota Securities Department.
2. Respondent Pagan is a resident of Rapid City, South Dakota, who, for all times relevant to this matter, operated and controlled Main Street, as its Managing Member. Respondent Pagan is not now and has never been registered as an agent with the North Dakota Securities Department.
3. On or about August 28, 2013, Respondents engaged in the offer and sale of a Promissory Note issued by Main Street and signed by Pagan to Terry Anderson, a North Dakota resident, in Ross, North Dakota. The securities transaction involved

a total principal investment of \$100,000 together with interest to be paid as set forth in the note. All principal and unpaid interest accrued was due and payable on March 30, 2015.

4. On or about August 28, 2013, Respondents engaged in the offer and sale of a Promissory Note issued by Main Street and signed by Pagan to Arlove Weisser, a North Dakota resident, in Devils Lake, North Dakota. The securities transaction involved a total principal investment of \$100,000 together with interest to be paid as set forth in the note. All principal and unpaid interest accrued was due and payable on March 30, 2015.
5. On or about August 28, 2013, Respondents engaged in the offer and sale of a Promissory Note issued by Main Street and signed by Pagan to Duane Lidstrom, a North Dakota resident, in Stanley, North Dakota. The securities transaction involved a total principal investment of \$100,000 together with interest to be paid as set forth in the note. All principal and unpaid interest accrued was due and payable on March 30, 2015.
6. Respondents have failed to make all payments of principal and interest to the investors as agreed.
7. The Promissory Notes issued by Main Street 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.
8. The Promissory Notes issued by Main Street have not been registered with the Securities Department under N.D.C.C. §§ 10-04-07, 10-04-07.1, 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 Main Street and Respondent Pagan each engaged in three violations of N.D.C.C. § 10-04-04.

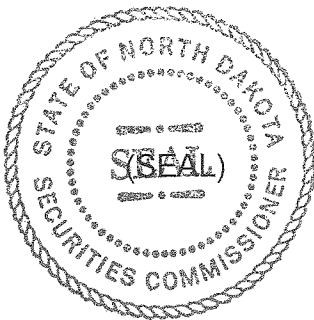
9. The transactions referenced above were conducted at a time when Main Street was not registered as an issuer-dealer or broker-dealer with the Securities Department. Main Street engaged in three violations of N.D.C.C. § 10-04-10(1).
10. Respondent, Robert Pagan, was not registered as an agent with the Securities Department at the times of these transactions. Pagan engaged in three violations of N.D.C.C. §10-04-10(2).
11. 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 and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act or a total of \$120,000 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).
12. Respondents acknowledge their right to a hearing on this matter and waive this right to a hearing and to present arguments to the Commissioner.
13. Respondents agree to resolve this matter with the Commissioner by this Consent Order.

14. The following Order is necessary and appropriate in the public interest for the protection of investors.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to N.D.C.C. § 10-04-16, that:

1. Respondent, Robert Pagan, shall immediately CEASE AND DESIST from any further violations of the Securities Act or rules, individually or through Main Street Hospitality, L.C.C., and 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. Respondent, Robert Pagan, shall pay a civil penalty of \$5,000, made payable to the North Dakota Securities Department, upon entry of this Consent Order.
3. This Consent Order shall be effective upon signature of the Commissioner.


**IN TESTIMONY WHEREOF**, witness my hand and seal this 10 day of June, 2018.



  
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Karen J. Tyler, Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Ave.  
State Capitol – Fifth Floor  
Bismarck, ND 58505-0510  
(701) 328-2910



Dated this 14 day of May, 2018.

  
\_\_\_\_\_  
Robert Pagan

Subscribed and sworn to before me this 14 day of May, 2018.



  
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Notary Public  
My Commission Expires 3/16/19