



NEWS RELEASE | **FOR IMMEDIATE RELEASE** | April 24, 2023

Securities Commissioner orders Michael Kuntz, National Sports Opportunity Partners, Jeremy L. Carlson, and Jamieson Capital Financial to cease and desist from sale of over \$25 million in unregistered securities and misappropriation of investor funds, to repay investor funds, and to pay a civil penalty

BISMARCK, ND – North Dakota Securities Commissioner Karen Tyler has ordered Michael Kuntz of Grand Forks, and Jeremy L. Carlson of Fargo, and companies under their control, to cease and desist from the alleged sale of at least \$25 million in unregistered promissory notes and from the misappropriation of investor funds. The Commissioner has also ordered the respondents to repay investors and to pay a civil penalty in the amount of \$2,880,000 that may be used for investor restitution.

From Oct. 4, 2021, to July 22, 2022, Kuntz, who is president of National Sports Opportunity Partners LLC (NSOP), and Carlson, who has at times represented himself to be treasurer of NSOP and is president of Jamieson Capital Financial LLC (JCF), solicited and sold to investors promissory notes or other evidences of indebtedness totaling at least \$25 million in at least 16 separate transactions. This amount is in addition to previously identified promissory note sales of at least \$1,955,000 that were the subject of an order issued against Kuntz and NSOP on July 29, 2022, and the over \$17 million in pooled investment fund interests sold by Carlson and JCF and that were the subject of an order dated July 15, 2022.

According to bank records obtained by subpoena during the Department's on-going investigation, over \$12 million of investor funds was used to make payments to Chad Miller, CEO of Legacy Sports USA LLC, Randy Miller, founder and chairman of Legacy Sports USA, and Michael Baggett, legal counsel of Legacy Sports USA. Legacy Sports USA operated a sports and entertainment park in Mesa, Arizona, formerly known as Bell Bank Park, which was developed by a non-profit organization, Legacy Cares Inc. The payments were represented to be for a 10% ownership stake in Legacy Sports USA purchased by NSOP. In a related matter, the \$280 million in municipal bonds issued to finance construction of the park are now in default.

Kuntz and Carlson allegedly used over \$7.5 million of investor money to pay up-front fees to unlicensed money brokers and their affiliates, one located in Minnetonka, Minnesota, and several located in Las Vegas, Nevada, ostensibly to secure multi-million-dollar alternative financing commitments. On two occasions, \$2.5 million of NSOP investor money deposited into Carlson's JCF Bell Bank account was wired to entities in China, subsequently returned, and then wired to the Las Vegas money brokers. No explanation for the involvement in these transactions of JCF, at the time a state registered investment adviser, has been provided to the Department. The "pre-approved" financing represented by the

unlicensed money brokers has not materialized by the multiple and delayed dates represented, nor have any of the millions of dollars in fees paid for with NSOP investor money been returned.

The Department also alleges Kuntz and Carlson misappropriated investor money by using money raised from later sales of the unregistered NSOP promissory notes to repay in full and/or make interest payments to earlier NSOP investors in a Ponzi-like manner. Carlson used investor money entrusted to him and his investment adviser firm to invest in NSOP. Kuntz used some of this investor money for upfront fees in the alternative financing fraud and returned some of it to Carlson, which Carlson then used to pay personal expenses including payments on his lake home, boat and other personal debt.

Carlson, JCF, and eight private fund entities under Carlson's control are the subject of previous orders issued by the Commissioner on July 15, 2022, and Dec. 22, 2022, suspending the investment adviser registration of JCF, alleging numerous securities law violations, ordering repayment to investors, and ordering a civil penalty.

The investigation continues, and the Department is collaborating with other authorities on the matter.

Each of the respondents in the Commissioner's July and December orders have, through legal counsel, made a timely request for an administrative hearing and have requested deferment of the appointment of an administrative law judge (ALJ). The Commissioner will be requesting appointment of an ALJ from the Office of Administrative Hearings and consolidation of any hearing on the new violations identified in this order, with the pending matters for hearing on the previous orders, as provided by law.

[Carlson/JCF Order dated July 15, 2022](#)

[Carlson Private Funds order dated July 15, 2022](#)

[Kuntz Order dated July 29, 2022](#)

[Carlson/JCF Order dated December 22, 2022](#)

[WSJ article re Legacy Sports USA](#)

[Mesa Tribune article re Legacy Sports USA](#)

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