



**NEWS RELEASE** | **FOR IMMEDIATE RELEASE** | December 23, 2022

## **Securities Commissioner Orders Jeremy L. Carlson and Jamieson Capital Financial to Cease and Desist from Violating Previous Orders, Assesses Civil Penalties, Orders Rescission of Private Fund Investments**

**Bismarck ND** – North Dakota Securities Commissioner Karen Tyler has ordered Jeremy L. Carlson and Jamieson Capital Financial, LLC, to cease and desist from violating the Orders previously issued by the Commissioner on July 15, 2022, and served on July 18, 2022, has ordered rescission of the private fund investments sold by Carlson and Jamieson, and has assessed civil penalties in the amount of \$3,250,000 against Respondents Carlson and Jamieson.

The Securities Department continues its investigation of Carlson, Jamieson, and numerous associated individuals and businesses, and alleges Carlson continues to take custody of and exercise control over investor funds. Under the North Dakota Securities Act, a willful violation of an Order of the Securities Commissioner is a Class B felony.

Bank records obtained by subpoena indicate Carlson is directing the mailing of investment income checks to his home address, has established new bank accounts to facilitate continued custody and control of these assets, and is using investment income belonging to investors in one private fund he controls to make interest payments to investors in a different private fund he controls.

The Commissioner previously ordered Carlson and Jamieson to cease and desist from numerous alleged violations of state securities laws, including taking custody of investor funds, acting as an unregistered broker-dealer and agent, breach of fiduciary duty, unlawful conduct of an investment adviser, and engaging in fraudulent practices under the Securities Act.

The Commissioner also ordered the immediate suspension of the registration of Jamieson Capital Financial, LLC, (CRD #175016), with a proposed order to revoke the firm's registration. Carlson is not currently registered as a securities professional in any capacity in North Dakota.

The Securities Department began investigating Jamieson and Carlson after a routine examination uncovered numerous deficiencies in the business conduct of the firm.

Using an often-exploited Federal securities law exemption called Regulation D, Rule 506(b), Carlson raised money from investors for numerous private funds he controlled and that he represented had objectives of making investments related to real estate, oil and gas, cryptocurrency, and medical marijuana.

Bank records obtained by subpoena for the investigative period show Carlson took custody of at least \$17,780,000 in client funds through the sale of the private fund membership interests. Custody of client securities and funds by a North Dakota registered investment adviser is prohibited under the North Dakota Securities Act.

In conflict with the use of proceeds purposes that had been disclosed to investors in private placement memorandums, the Department alleges Carlson engaged in borrowing and lending activity between the private funds he controlled, and also lent investor funds to individuals and businesses, including at least \$1,955,000 to Michael Kuntz and his businesses National Sports Opportunity Partners LLC, ICON Investment Group LLC, and Leftfield Development LLC. In a separate action, the Commissioner has issued an order against Kuntz and his business entities for the sale of unregistered promissory notes.

Carlson paid himself and other unregistered individuals and entities 3% commissions for the solicitation and sale of membership interests in the numerous private funds he controlled. Solicitation of investors is prohibited under Regulation D, Rule 506(b), and while not registered as a securities broker-dealer and agent, Carlson paid himself and his firm at least \$338,000 in commissions on these sales, in addition to the management fees he was charging as an investment adviser.

For his cryptocurrency fund, Nova DC, LLC, the Department alleges Carlson utilized a cryptocurrency exchange that could not offer services to users located in the United States, and used investor funds to pay unregistered individuals Michael Helmers and Nicholas Helmers at least \$286,000 in management fees to act as advisers to the private fund and engage in digital asset trading with the private fund assets. Investigative records obtained by the Department indicate that on June 1, 2022, Nova DC cryptocurrency positions valued at approximately \$2 million were liquidated by the exchange to cover margin debt owed on numerous trades that had been leveraged 100%.

In a separate Order, the Securities Commissioner ordered numerous private fund entities and Jeremy L. Carlson as managing member to stop issuing membership interests to investors, and to cease and desist from further violations of the Securities Act, including the payment of commissions to unregistered individuals and entities, and the making of material false statements or representations in filings required to be made under the Securities Act.

Each of the Respondents in the Commissioner's July Orders have, through legal counsel, made a timely request for an administrative hearing and have requested deferment of appointment of an Administrative Law Judge at this time.

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**For More Information Contact:**

North Dakota Securities Department  
Michael Daley, *Attorney* | 701-328-2910  
[mfdaley@nd.gov](mailto:mfdaley@nd.gov)

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**Doug Burgum, *Governor***

**Karen Tyler, *Commissioner, Securities Department***

State Capitol | 600 E. Boulevard Ave., 14<sup>th</sup> Floor | Bismarck, ND 58505  
PHONE: (701) 328-2910 | E-MAIL: [ndsecurities@nd.gov](mailto:ndsecurities@nd.gov) | WEBSITE: [www.securities.nd.gov](http://www.securities.nd.gov)