**STATE OF NORTH DAKOTA**

**SECURITIES DEPARTMENT**

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| In the Matter of Ireland & Sando, LLC, a North Dakota limited liability company, and Michael J. Rydell, a/k/a Mike Rydell<br><br>Respondents. | ) | **ADMINISTRATIVE CONSENT ORDER** |

The North Dakota Securities Commissioner ("Commissioner") has advised the Respondents, Michael J. Rydell ("Rydell") and Ireland and Sando, LLC ("Ireland"), a North Dakota limited liability company, (Rydell and Ireland are sometimes collectively referred to as "Respondents") 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, Ireland & Sando, LLC, (hereinafter, "Ireland") is a North Dakota limited liability company operated and controlled by Respondent, Michael J. Rydell, a/k/a Mike Rydell, (hereinafter, "Rydell") with its principal office described as 3608 Fairway Road North, Fargo, North Dakota 58102. Ireland is not now and has never been registered as a broker-dealer or issuer-dealer with the North Dakota Securities Department (hereinafter, "Department").
2. Respondent Rydell is a resident of Fargo, North Dakota, who, for all times relevant to this matter, operated and controlled Ireland as its principal officer. Rydell is listed as the founder of Ireland according to his LinkedIn profile. According to records provided to the Office of the North Dakota Secretary of State, the initial filing by Ireland was filed on July

23, 2019, with the business purpose listed as business consulting and management. Rydell is not now and has never been registered as an agent with the Department.

3. From at least June 15, 2018 to December 20, 2020, Rydell acted as an agent or investment adviser representative, effecting transactions in securities, specifically membership interests in at least two private funds organized and controlled by Jeremy L. Carlson (hereinafter, "Carlson") and Carlson's Investment Adviser firm, Jamieson Capital Financial, LLC (hereinafter, "Jamieson"), and received compensation from the sale of the private fund membership interests that Rydell solicited on behalf of Carlson and Jamieson. The agent commissions were commonly at 3% of the amount of the securities sold and totaled at least $54,250.
4. Respondents admit that they improperly received commissions totaling $54,250. Respondents agree to pay $54,250 into the North Dakota Investor Restitution Fund maintained and administered by the Commissioner under Chapter 10-04 of the North Dakota Century Code.
5. The membership interests 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. According to the Department and the Securities and Exchange Commission (SEC) EDGAR records, all private funds organized by Carlson and sold by and through Carlson and Jamieson relied on federal registration exemption Reg D, Rule 506(b) and N.D.C.C. § 10-04-08.4(2)(b). In pertinent part, N.D.C.C. § 10-04-08.4(2)(b) states that "[n]o security may be offered or sold under this subsection, except through or by a broker-

dealer and agent registered in accordance with section 10-04-10, unless it is offered and sold through an officer, director, governor, or partner of the issuer and **no commission or other renumeration is paid, either directly or indirectly.**" (emphasis added).

7. A FINRA Central Registration Depository search of Rydell indicates that Rydell was registered as an investment adviser representative for Jamieson from March 12, 2019 until April 19, 2022. The search did not produce any records to indicate that he currently has or had registrations as an agent to conduct activity as an agent during that time period.
8. Respondent Rydell was not registered as an agent with the Department at the times of the transactions referenced above. N.D.C.C. § 10-04-10(2) states it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration. Rydell engaged in at least twelve violations of N.D.C.C. § 10-04-10(2).
9. Respondent Rydell was not registered as an investment adviser representative with Jamieson when he received the consulting fee on June 15, 2018. N.D.C.C. § 10-04-10(5) states it is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this chapter as an investment advisor representative or is exempt from registration. Rydell engaged in at least one violation of N.D.C.C. § 10-04-10(5).
10. On or about April 1, 2020, Respondents Ireland and Rydell engaged in the offer for sale and sale of an unregistered promissory note issued by Ireland and signed by Rydell in the principal amount of $200,000.00, together with interest at a fixed rate of 6.0%, to Secure Income Fund, LLC, a private fund entity operated and controlled by Carlson, in

Fargo, North Dakota. Upon information and belief, all principal and interest accrued and owed to Secure Income Fund, LLC remains unpaid by Ireland and Rydell.[1]

11. The principal amount of the Promissory Note owed to the Secure Income Fund is $200,000, plus statutory interest at a rate of 6% in the amount of at least $46,174 for a total of at least $246,174[2]. Respondents agree to pay the principal and interest to be deposited 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.

12. The promissory note offered for sale and sold by Respondents in North Dakota as described is a "security" 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.

13. The promissory note offered for sale and sold by Respondents in North Dakota as described has 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; is not an exempt security under N.D.C.C. § 10-04-05; and has not been offered for sale or sold in an exempt transaction under N.D.C.C. § 10-04-06; and is not a federal covered security or has not properly been filed as a federal covered security under N.D.C.C. § 10-04-08.4. The offer and sale of the subject security was made in violation of N.D.C.C. § 10-04-04.

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[1] Respondent Rydell did make one $10,000 payment on October 25, 2022, which has been deducted from the total amount owed.

[2] The Promissory Note dated April 1, 2020, also referenced the same interest rate: "The Principal Balance [$200,000] of this Note outstanding at the close of each day shall bear interest at a definite and certain per annum rate of interest equal to **6.0%** ("Loan Rate")."

Respondents Ireland and Rydell each engaged in one violation of N.D.C.C. § 10-04-04.

14. The transaction referenced above was conducted at a time when Ireland was not registered as an issuer-dealer or broker-dealer with the Securities Department. Ireland engaged in one violation of N.D.C.C. § 10-04-10(1).

15. Respondent Rydell was not registered as an agent with the Securities Department at the time of the transactions referenced above. Rydell engaged in one additional violation of N.D.C.C. § 10-04-10(2).

16. The Department has jurisdiction over the subject matter of these proceedings and the Respondents named herein.

17. Pursuant to N.D.C.C. § 10-04-16(1), the North Dakota 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 $170,000 based on the violations described above. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against Respondents pursuant to N.D.C.C. § 10-04-16(1).

18. The civil penalties shall immediately be suspended for a period of twenty-four months. All civil penalties remaining following the twenty-four months shall be vacated if all other items in the Order are met. If payment is not timely made, a certified copy of this final order may be filed with the clerk of a court of competent jurisdiction and enforced or satisfied in the same manner as a judgment of the court, as provided in N.D.C.C. § 10-04-16.

19. Respondents acknowledge their right to a hearing on this matter and waive this right to a hearing and to present arguments to the Commissioner.
20. Respondents agree to resolve this matter with the Commissioner by the Consent Order.
21. Nothing in this agreement shall be construed to waive, release, or limit any private right of action, including any claims investors have or may have on an individual or class basis under state of federal laws against any person or entity.
22. This Order is necessary and appropriate in the public interest for the protection of investors.
23. This Consent Order shall be effective upon signature of the Commissioner.

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

1. Respondent, Michael J. Rydell, shall immediately CEASE AND DESIST from any further violations of the Securities Act or rules, individually or through Ireland & Sando, LLC, or any other business entities, 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 and until Respondents have registered with the Securities Department as issuer-dealers, broker-dealers, investment adviser representatives or agents.

2. Respondents shall make timely payment of all monetary obligations set forth in Paragraphs 4 and 11 of this Consent Order. If any of the payments are missed or untimely, all of the monetary obligations will be immediately due and payable.

Specifically, Respondents shall make quarterly payments in the amount of $25,000 for a period of two years, with the first payment being due and payable within 90 days from the date the Consent Order is fully executed. Further, at the end of the two-year period from the date the order is fully executed, Respondents shall pay the remaining balance in a balloon payment of $114,420. In total, Respondents shall pay a total of $304,420, which represents the repayment of the funds unlawfully obtained plus all of the interest at the statutory rate of 6.0% for the period from the date of promissory note issuance to the date of repayment and less the amount of any income received on the securities by said purchaser according to the provisions of N.D.C.C. §§ 10-04-16(1) and 10-04-17, all of which is to be deposited 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.

3. The Commissioner hereby assesses a civil penalty of $170,000 against the Respondents, jointly and severally, but that civil penalty shall not be enforced by the Commissioner so long as the Respondents comply with the terms of this Consent Order. Any willful violation of this Consent Order, including any missed or untimely payment, shall result in a default of this Consent Order and the entire civil penalty shall be immediately due and payable.

4. This Order shall be effective upon signature of the Commissioner.

**IN TESTIMONY WHEREOF**, witness my hand and seal this 12th day of March, 2024.




(SEAL)

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

**CONSENT TO ENTRY OF ADMINISTRATIVE CONSENT ORDER**

Each Respondent acknowledges that it or he has been served with a copy of this Administrative Consent Order, has read the foregoing Order, is aware of its or his right to a hearing and appeal in this matter, and has waived the same.

Each Respondent admits the jurisdiction of the North Dakota Securities Department, and consents to entry of this Administrative Consent Order by the North Dakota Securities Commissioner as settlement of the issues contained in this Order.

Dated this 6th day of March, 2024.

Michael J. Rydell, individually

IRELAND & SANDO, LLC

By: Michael J. Rydell, its Managing Member