

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of:)
)
Pelican Development, L.L.C., an Arizona)
limited liability company, and Randall E.)
Johnson,)
Respondents.)

CONSENT ORDER

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The North Dakota Securities Commissioner has advised the Respondents that the Commissioner is prepared to commence formal action pursuant to Chapter 10-04 of the North Dakota Century Code (N.D.C.C.) based upon the Commissioner's determinations set forth below, which are neither admitted nor denied by the Respondents:

1. Respondent, Pelican Development, L.C.C., (hereinafter, "Pelican") is an Arizona limited liability company operated and controlled by Respondent, Randall E. Johnson, as Managing Member, with its principal office at 5 North 14th Street, Fargo, North Dakota. Pelican Development, L.C.C. is not now and has never been registered as a broker-dealer with the North Dakota Securities Department.
2. Respondent, Randall E. Johnson, (hereinafter, "Johnson") is a North Dakota resident who, for all times relevant to this matter, operated and controlled Pelican, as Managing Member. Respondent Johnson is not now and has never been registered as an agent with the North Dakota Securities Department.
3. On or about March 17, 2003, Respondents engaged in the offer and sale of a Promissory Note issued by Pelican and signed by Johnson to Mike Rost, Keith Rost, Randy Rost and Robbie Rost, North Dakota residents, in Harwood, North

Dakota. The securities transaction involved a total principal investment of \$75,000 together with interest to be paid as set forth in the note.

4. On or about November 17, 2003, Respondents engaged in the offer and sale of a Promissory Note issued by Pelican and signed by Johnson to Clayton Day and Jane Day, North Dakota residents, in Wyndmere, North Dakota. The securities transaction involved a total principal investment of \$25,000 together with interest to be paid as set forth in the note.
5. On or about November 17, 2003, Respondents engaged in the offer and sale of a Promissory Note issued by Pelican and signed by Johnson to Earl Wilhelm and Barbara Wilhelm, North Dakota residents, in Leonard, North Dakota. The securities transaction involved a total principal investment of \$25,000 together with interest to be paid as set forth in the note.
6. On or about November 17, 2003, Respondents engaged in the offer and sale of a Promissory Note issued by Pelican and signed by Johnson to Chris Skrove and Doris Skrove, North Dakota residents, in Fargo, North Dakota. The securities transaction involved a total principal investment of \$25,000 together with interest to be paid as set forth in the note.
7. On or about December 22, 2003, Respondents engaged in the offer and sale of a Promissory Note issued by Pelican and signed by Johnson to Clayton Day and Jane Day, North Dakota residents, in Wyndmere, North Dakota. The securities transaction involved a total principal investment of \$70,000 together with interest to be paid as set forth in the note.

8. Respondents have failed to make all payments of principal and interest to the investors as agreed.
9. The Promissory Notes issued by Pelican 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.
10. The Promissory Notes issued by Pelican 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 and Respondents each engaged in five violations of N.D.C.C. § 10-04-04.
11. The transactions referenced above were conducted at a time when Pelican was not registered as a broker-dealer with the Securities Department. Pelican engaged in five violations of N.D.C.C. § 10-04-10(1).
12. Respondent, Randall E. Johnson, was not registered as an agent with the Securities Department at the times of these transactions. Johnson engaged in five violations of N.D.C.C. §10-04-10(2).
13. 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 \$200,000 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).

14. Respondents acknowledge their right to a hearing on this matter and waive this right to a hearing and to present arguments to the Commissioner.
15. Respondents agree to resolve this matter with the Securities Commissioner by this Consent Order. Respondents have consented to the entry of this Order by executing the Consent to Entry of Order, which is attached hereto and incorporated herein by reference.
16. The following Order is necessary and appropriate 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:

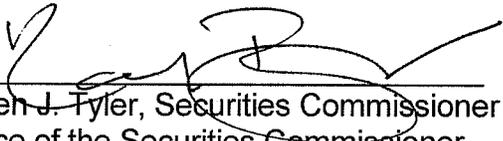
1. Respondents shall not offer for sale and/or sell any security in North Dakota unless that security is registered with the Department or exempt from registration under N.D.C.C. Chapter 10-04.
2. Pelican shall not offer for sale or sell, or effect any transactions in securities, in North Dakota unless and until it has registered with the Securities Department as a broker-dealer or is exempt from registration under N.D.C.C. Chapter 10-04.
3. Johnson shall not offer for sale or sell, or effect any transactions in securities, in North Dakota unless and until he has registered with the Securities Department as an agent or is exempt from registration under N.D.C.C. Chapter 10-04.

4. Respondent, Pelican Development, L.L.C., is hereby assessed, and shall pay a civil penalty of \$20,000 to the North Dakota Securities Department based on the violations of N.D.C.C. §§ 10-04-04 and 10-04-10(1) discussed above.
5. Respondent, Randall E. Johnson, is hereby assessed, and shall pay a civil penalty of \$10,000 to the North Dakota Securities Department based on the violations of N.D.C.C. §§ 10-04-04 and 10-04-10(2) discussed above.
6. This Order shall be effective upon signature of the Commissioner.

IN TESTIMONY WHEREOF, witness my hand and seal this 14th day of

May, 2009.





Karen J. Tyler, Securities Commissioner
Office of the Securities Commissioner
State Capitol-5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510
(701) 328-2910

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MAY 14 2009

STATE OF NORTH DAKOTA

**SECURITIES DEPARTMENT
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SECURITIES DEPARTMENT

In the Matter of:)
)
Pelican Development, L.L.C., an Arizona)
limited liability company, and Randall E.)
Johnson,)
Respondents.)

**CONSENT TO ENTRY
OF ORDER**

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Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, the above-named Respondents state that:

1. The Respondents have read the foregoing Consent Order and know and fully understands its contents and effects.
2. The Respondents have been advised of their rights to a hearing with regard to this matter, and have specifically waived their rights to a hearing.
3. The Respondents have been advised that any willful violation of the Consent Order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1) and is punishable by a \$10,000 fine and 10 years imprisonment, with respect to a natural person, pursuant to N.D.C.C. § 12.1-32-01(3), or by a \$35,000 fine with respect to an organization, pursuant to N.D.C.C. § 12.1-32-01.1(2).
4. The foregoing Consent Order, which is attached hereto and incorporated herein by reference, constitutes the entire settlement agreement between the Respondents and the Securities Commissioner, there being no other promises or agreements, either expressed or implied. Solely for the purposes of this proceeding, the Respondents admit the jurisdiction of the Securities Department and hereby accept and consent, without admitting or denying the findings, to the

factual determinations and legal conclusions set forth in the foregoing Consent Order. Nothing in this Consent Order shall affect Respondents' right to take legal or factual positions in litigation or any other legal proceeding in which the State of North Dakota is not a party.

5. The Respondents consent to entry of the foregoing Consent Order by the Securities Commissioner, and do so willingly and voluntarily for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 12 day of MAY, 2009.

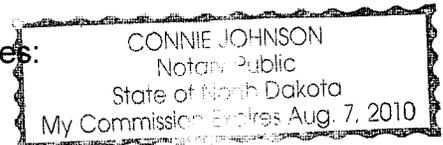


Randall E. Johnson

Subscribed and sworn to before me this 12th day of May, 2009.



Notary Public
My Commission Expires:

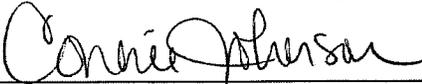


PELICAN DEVELOPMENT, L.L.C.

By: 

Its: MANAGING MEMBER

Subscribed and sworn to before me this 12th day of May, 2009.



Notary Public
My Commission Expires:

