

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 28, 2023

LODGING FUND REIT III, INC.
(Exact Name of Registrant as Specified in Charter)

Maryland	000-56082	83-0556111
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1635 43rd Street South, Suite 205	58103
Fargo, North Dakota	(Zip Code)
(Address of Principal Executive Offices)	

Registrant's telephone number, including area code: **(701) 630-6500**

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 8.01 OTHER EVENTS

Status of the Offering

As of August 28, 2023, Lodging Fund REIT III, Inc. (the “Company”) has accepted subscriptions for an aggregate of \$99.3 million in gross offering proceeds from the sale and issuance of 10,147,373 shares of its common stock (“Shares”) inclusive of \$10.7 million of proceeds from the dividend reinvestment plan from the private placement offering of Shares (the “Offering”), resulting in the issuance of 1,121,822 Shares.

Settlement of SEC Investigation and Wells Notice Issuance

As previously disclosed, Legendary Capital REIT III, LLC, the Advisor of the Company (the “Advisor”), and Corey R. Maple, the principal of the Advisor and the Company’s Chairman of the Board and former Chief Executive Officer and Secretary, received a “Wells notice” from the Securities and Exchange Commission (“SEC”) stating that the SEC staff had made a preliminary determination to recommend to the SEC that it bring an enforcement action against the Advisor and Mr. Maple alleging violations of securities laws in connection with the SEC’s investigation of the Company’s reimbursement of and financial accounting for certain expenses incurred by the Advisor as well as the adequacy of its disclosures related to those policies and practices. The Wells notice was neither a formal charge of wrongdoing nor a final determination that the Advisor or Mr. Maple has violated any law.

On August 28, 2023, the Advisor and Mr. Maple, without admitting or denying the findings, agreed to an administrative cease-and-desist order relating to Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933, as amended. A copy of the order can be found on the SEC’s website at <https://www.sec.gov/files/litigation/admin/2023/33-11227.pdf>. As part of the settlement, the Advisor agreed to pay disgorgement of \$463,900, prejudgment interest of \$85,431.50 and a civil monetary penalty of \$225,000 and Mr. Maple agreed to pay a civil monetary penalty of \$100,000. Additionally, the Advisor has undertaken to (a) retain a qualified independent consultant acceptable to the SEC, at the Advisor’s expense, within 60 days of the date of entry of the order to review the Advisor’s policies, procedures and controls regarding the proper allocation of expenses between the Advisor and the Company as provided in the order, (b) require the consultant to submit a report to the Advisor and the SEC staff within 120 days of the entry of the order with its findings and any recommendations for changes or improvements, and (c) adopt, implement and maintain all policies, procedures and practices recommended by the consultant’s report within 120 days of receiving the report from the consultant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LODGING FUND REIT III, INC.

Dated: September 1, 2023

BY: /s/ Samuel C. Montgomery

Samuel C. Montgomery

Chief Financial Officer