



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division Case No. 114218
WINDSOR JONES, LLC;)	
)	SUMMARY CEASE AND
ANTHONY COLLINS;)	DESIST ORDER
DOB 6/11/XXXX)	
)	
ELIZABETH PARKER; and)	
)	
MARK GOODWIN,)	
)	
Respondents.)	

On October 13, 2022, Attorney, Johanna Nagel, on behalf of the Iowa Insurance Division (“Division”) submitted a petition requesting the issuance of a summary cease and desist order.

NOW THEREFORE, the Commissioner of Insurance, Douglas M. Ommen, pursuant to Iowa Code chapter 502—the Iowa Uniform Securities Act and Iowa Administrative Code chapter 191—50 Regulation of Securities Offerings and Those Who Engage in the Securities Business, does hereby make and issue the following findings of fact, conclusions of law, and summary cease and desist order (“Order”):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapter 502—the Iowa Uniform Securities Act and Iowa Administrative Code chapter 191—50 Regulation of Securities Offerings and Those Who Engage in the Securities Business.

2. Windsor Jones, LLC (“WJ”) is a limited-liability corporation incorporated in Delaware, with a listed principal place of business located at 3524 Silverside Road, Suite #35B, Wilmington, Delaware 19810. However, WJ primarily operates out of the United Kingdom.

3. Wolf Group Holdings, LLC is the registered agent for WJ. The address for WJ's registered agent is 3213 Emerald Place, Wilmington, Delaware 19810.
4. Anthony Collins ("Collins") is WJ's owner and manager of business affairs with a last-known business address of 3524 Silverside Road, Suite #35B, Wilmington, Delaware 19801 and a last-known residence address of 2 Hammonds Hill, Harpenden AL5 2LU, United Kingdom.
5. Collins's birth name is Kyrone Collins, but he changed his first name to Anthony around 2014 or 2015.
6. Elizabeth Parker ("Parker") is an administrator for WJ with a last-known address of 3524 Silverside Road, Suite #35B, Wilmington, Delaware 19810.
7. Mark Goodwin ("Goodwin") was a sales representative for WJ with a last-known address of 3524 Silverside Road, Suite #35B, Wilmington, Delaware 19810.
8. WJ, Collins, Parker, and Goodwin shall be collectively referred to herein as ("Respondents").
9. From January 2019 through present day, Respondents engaged in acts and practices within the state of Iowa that constitute cause for a cease and desist order, civil penalties, and other relief under Iowa Code chapter 502 and Iowa Administrative Code chapter 191—50.

II. FINDINGS OF FACT

10. Pursuant to Iowa Code § 502.611(2), Respondents appointed the securities administrator as their agent for service of process by engaging in an act, practice, or course of business prohibited or made actionable by Iowa Code chapter 502 or a rule adopted pursuant to this chapter.
11. WJ is not, nor has it ever been, registered as a broker-dealer authorized to sell securities in the state of Iowa. WJ has not filed a claim of exemption from registration with the Division.

12. Collins, Goodwin, and Parker are not, nor have they ever been, registered as securities agents or investment adviser representatives in the state of Iowa. No claims of exemption from registration have been filed with the Division on behalf of Collins, Goodwin, or Parker.
13. Collins had the power to formulate, direct, control, and be a primary participant in, and had, or should have had, knowledge of WJ's acts and practices constituting violations of Iowa law as alleged herein.
14. Collins is the owner and director of WJ.
15. The Division began an investigation after receiving a notification from a broker-dealer regarding suspected senior financial exploitation. The broker-dealer identified several large wire transfers by an Iowa consumer ("Investor"). "Investor" is an older Iowa consumer who purchased wine-related securities from WJ.
16. Upon review, the Division found that Investor had purchased approximately two million dollars in wine-related securities through WJ.
17. Parker, or someone representing themselves as Parker, worked as WJ's Administrator and communicated with Investor regarding paperwork related to his security purchases.
18. Goodwin, or someone representing themselves as Goodwin, contacted Investor with offers to sell securities on behalf of WJ.
19. In January 2019, Goodwin or a representative of WJ, cold-called Investor regarding a securities investment opportunity in vintage wine, offering a return of up to 20% within one year.
20. Respondents held and continue to hold themselves out to clients as being experts in the business of wine-related securities investments.
21. Respondents advised Investor that WJ would select and purchase cases of wine using funds provided by Investor, arrange for storage of the cases at a facility for the wine to age,

advise Investor as to the optimal time to sell the wine, and handle the eventual sale of the wine.

22. Investor agreed to invest with WJ and purchased the wine securities from January 2019 until at least September 2021. During this period, the wine securities were not registered for sale as securities in Iowa and a claim of exemption was not filed with the Division.

23. Respondents never requested or collected any financial information from Investor, including but not limited to, his net worth, investment portfolio, financial goals, risk tolerance, expenses, and liquidity needs.

24. Respondents never provided Investor with the investment offering and disclosure documents or advised Investor of the following: risk factors that impact Investor's investment, including general risks of investments and risks unique to WJ and the unregistered securities; that Respondents were not registered to sell securities in Iowa; and financial information, including accurate information regarding assets, liabilities, profits, losses, cash flow, and other financial data of WJ.

25. Since his initial investment, Investor communicated with WJ through Collins, Parker, and/or Goodwin.

26. Respondents advised Investor that they would provide their services for a 10% commission taken off the sale proceeds. However, Collins told a Division investigator that commissions were actually taken upon Investor's *purchases of*, rather than upon the *sale of*, the securities. Furthermore, Collins stated that the commissions are approximately 30-40% of the purchase price, rather than 10% of the sale proceeds as was represented to Investor.

27. Respondents also advised Investor that he could sell his wine at any time.

28. WJ selected Bordeaux City Bond ("BCB"), located in Bordeaux, France, as the facility to store Investor's wine purchases. WJ listed itself as the primary account holder, with full control

over the wine, and listed Investor as a sub-account holder. According to BCB, this meant that BCB would only accept WJ's instructions on when to sell Investor's wine.

29. Investor has not been able to withdraw his funds or sell any of the securities. Every time he attempted to sell his wine, Respondents told Investor that he must first provide additional investment funds in order to make his wine portfolio more attractive to other investors or that it was not a good time to sell. Investor's wine portfolio is made up entirely of those wines selected by WJ for investment purposes.

30. Because WJ listed themselves as the primary account holder on the BCB account, with full control over the wine held in storage, Investor did not have authority to direct BCB to sell his wine.

31. Documentation from BCB shows that WJ purchased 36 fewer cases of wine than WJ had represented to Investor. WJ sent invoices to Investor and accepted money from Investor to purchase 122 cases of wine, but BCB documents indicate that Investor only has 86 cases of wine in storage.

32. WJ has failed or refused to provide any documentation to explain the discrepancies, even after multiple requests by the Division to produce the relevant documents.

33. WJ's bank records indicate a pattern of using the majority Investor's investment funds to pay for unrelated business expenses and personal expenditures instead of using his funds to purchase the wine securities. For example, from March 24, 2021 to April 7, 2021, Investor wired investment funds totaling \$339,460 into WJ's bank account. Only \$4,002.77 of his funds were sent to BCB and the remainder appears to have been spent on unrelated expenses, including a \$51,000 payment to Bloombar Watches and \$54,537.52 to Diamond and Watches Co. Ltd.

34. From January 22, 2019 until December 7, 2021, Investor provided Respondents with

approximately two million dollars in investment money, but no more than 32% of investor's total investment money was used by Respondents to make wine purchases on Investor's behalf.

III. CONCLUSIONS OF LAW

COUNT I

Sale of Unregistered Security

35. Iowa Code § 502.102(28)(d) defines "security" in relevant part, to include, an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a '*common enterprise*' means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.

(See also Iowa Administrative Code rule 191—50.1).

36. Iowa Code § 502.301 states that it is unlawful for a person to offer or sell a security in this state unless the security is a federal covered security; the security, transaction, or offer is exempted from registration; or the security is registered.

37. Courts, including the Iowa Supreme Court, have long held that the purpose of blue sky laws is to "protect the public from deceit perpetrated in the sale of securities." *Midwest Management Corp. v. Stephens*, 291 N.W.2d 896, 901 (Iowa 1980); *State ex rel. Miller v. Pace*, 677 N.W.2d 761, 767 (Iowa 2004); *Renewable Fuels, Inc. v. Iowa Ins. Com 'r*, 752 N.W.2d 441, 446 (Iowa Ct. App. 2008).

38. Additionally, courts have held that another primary purpose of blue sky laws is "the suppression of fraudulent practices and the protection of the public from their own gullibility." *State ex rel. Miller v. Pace*, 677 N.W.2d at 767 (Iowa 2004); *Lolkus v. VanderWilt*, 141 N.W.2d 600, 603 (Iowa 1966).

39. The wine investments Respondents offered and sold to Investor are securities under Iowa Code § 502.102(28). Investor was motivated by the expectation of receiving profits when he purchased the securities. Investor expected to derive a profit solely or primarily from the

managerial efforts of Respondents in appraising, buying, and selling the wines.

40. Investor had no managerial powers. He could not purchase wines himself to add to his portfolio, could not access any of the wines in the BCB storage for his own appraisal, nor did he have the power to direct BCB to sell any of the wines held in storage. Investor's involvement was limited to providing monetary funds for Respondents to purchase, manage, and sell the wines on his behalf.

41. The common enterprise involved WJ obtaining money from Investor to allegedly enable WJ to make wine investment purchases and sales without any further interaction by Investor in order for both parties to derive a profit exclusively through WJ's efforts.

42. Respondents have not made any claim of exemption from registration under Iowa Code §§ 502.201, 502.202, or 502.203, nor have any filings been made with the Division's Securities Bureau.

43. The securities are not registered with the state of Iowa and are not exempt from registration.

44. Respondents have not filed an exemption from registration on the basis that the securities are federally-covered securities, nor are the securities, in fact, federally-covered securities.

45. Respondents' acts and practices have been in violation of Iowa Code § 502.301, subjecting Respondents to the imposition of a civil penalty, an order requiring Respondents to cease and desist from engaging in such acts or practices, the imposition of investigation costs, restitution, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 502.604.

COUNT II
Unregistered Broker-Dealer

46. Iowa Code § 502.102(4) defines “broker-dealer” in part, as “a person engaged in the business of effecting transactions in securities for the account of others or for the person’s own account.”

47. Iowa Code § 502.401 prohibits transacting in this state as a broker-dealer without being registered or exempt from registration.

48. WJ offered and sold wine-related securities that promised 20% returns on an annual basis in the state of Iowa.

49. WJ engaged in the business of effecting transactions in securities when Respondents sold wine securities to Investor, an older Iowa consumer.

50. WJ is not registered as a broker-dealer to effect transactions in securities in the state of Iowa, nor does it fall under any exemptions.

51. Respondents’ acts and practices have been in violation of Iowa Code § 502.401, subjecting Respondents to the imposition of a civil penalty, an order requiring Respondents to cease and desist from engaging in such acts or practices, the imposition of investigation costs, restitution, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 502.604.

COUNT III
Unregistered Securities Agents

52. Iowa Code § 502.102(2) defines an “agent” in securities as “an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer’s securities.

53. Iowa Code § 502.402 prohibits an individual from acting as a securities agent in Iowa without being registered or exempt from registration.
54. Under Iowa Code § 502.402(3) an agent's registration is only effective while that agent is employed by or associated with a registered broker-dealer or an issuer that is offering, selling, or purchasing its securities in Iowa.
55. Collins, Parker, and Goodwin worked on behalf of WJ to offer and sell securities in the state of Iowa.
56. Collins, Parker, and Goodwin cold-called, offered, and sold these securities to Investor, an Iowa consumer.
57. Collins, Parker, and Goodwin are not, nor have they ever been, registered as securities agents in the state of Iowa. WJ was not registered as a broker-dealer or an issuer in the state of Iowa at the times of the offers or sales.
58. Collins, Parker, and Goodwin do not meet any of the registration exemptions found in Iowa Code § 502.402(2).
59. Respondents' acts and practices have been in violation of Iowa Code § 502.402, subjecting Respondents to the imposition of a civil penalty, an order requiring Respondents to cease and desist from engaging in such acts or practices, the imposition of investigation costs, restitution, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 502.604.

COUNT IV
Securities Fraud

60. Iowa Code § 502.501 states,
- It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:
1. To employ a device, scheme, or artifice to defraud;

2. To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
3. To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

61. Iowa Code § 502.501A(1) states:

A broker-dealer or agent shall not effect a transaction in, or induce or attempt to induce the purchase or sale of, any security in this state by means of any manipulative, deceptive, or other fraudulent scheme, device, or contrivance, fictitious quotation, or in violation of this chapter. A broker-dealer or agent shall not recommend to a customer the purchase, sale, or exchange of a security without reasonable grounds to believe that the transaction or recommendation is suitable for the customer based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and other relevant information known by the broker-dealer.

62. Respondents hold themselves out to potential clients as being experts in the business of wine investments and are, therefore, in the best position to advise about the potential investment risks and returns as well as the overall suitability of securities they advise consumers to purchase.

63. Respondents recommended Investor purchase the wine securities even though they never gathered any information concerning Investor's investment objectives, financial situation, goals, or needs. Respondents did not have reasonable grounds to believe the transactions were suitable for Investor.

64. Recommending a transaction or investment strategy involving a security without having a reasonable basis to believe that the transaction or investment strategy is suitable for the customer operates as a fraud and deceit upon the investor.

65. After three years of investments, Respondents have made no sales of any of the wines purchased on Investor's behalf and used Investor's requests to sell as an opportunity to seek further investment.

66. In the offer, sale, or purchase of a security, Respondents omitted material facts, including,

but not limited to, the following: investment offering and disclosure documents; risk factors that impact Investor's investment, including general risks of investments and risks unique to WJ and the unregistered securities; limits on liquidity of the investment; that Respondents were not registered to sell securities in Iowa; and financial information including accurate information regarding assets, liabilities, profits, losses, cash flow, and other financial data of WJ. Investor was not provided with all the material information reasonably necessary to make an informed risk assessment and investment decision.

67. Respondents also made untrue statements of material fact. Respondents provided Investor with fictitious rates of return in order to lure Investor into investing. Respondents falsely represented that Investor would obtain a 20% return within a year. Respondents never mentioned that Investor may need to provide further investment in order for Investor to make a profit or to sell his existing securities. Respondents falsely represented they would only receive 10% commission and, furthermore, that it would be based on the price obtained when the wine was sold. In fact, Respondents received commissions immediately upon receipt of Investor's investment funds and the commission amount was significantly higher — 30 to 40% of Investor's funds.

68. WJ and Collins acted in a fraudulent or deceitful manner by inappropriately using Investor's investment funds. Upon review of the records and invoices sent to Investor, as well as those retained by BCB, a discrepancy in the amount of 36 full cases of aged wine appear to have never been purchased by WJ, though the money to do so was collected by WJ from Investor. WJ and Collins converted a significant part of Investor's investment funds for personal and/or unrelated business expenses.

69. Under Iowa Code § 502.604, the Commissioner may issue a summary cease and desist

order when the Commissioner determines that a person has engaged, is engaging, or is about to engage in any act or practice that is a violation of Iowa Code chapter 502.

70. Respondents' acts and practices constitute fraudulent and deceptive practices in the state of Iowa pursuant to Iowa Code §§ 502.501 and 502.501A(1), subjecting Respondents to the imposition of a civil penalty, an order requiring Respondents to cease and desist from engaging in such acts or practices, the imposition of investigation costs, restitution, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 502.604.

IV. STATEMENT OF POLICY

71. It is contrary to the public interest to permit the Respondents to engage in the business of securities without being properly licensed.

72. It is contrary to the public interest to permit the sale of a security without the security being properly registered in the state of Iowa.

73. WJ is still an active business and is engaging, or may engage, in fraudulent and deceptive practices. It is contrary to the public interest to permit Respondents to continue to use fraudulent and deceptive practices in the state of Iowa.

74. In addition to creating or facilitating consumer deception and confusion, Respondents' use of unfair methods and deceptive acts in conducting the business of securities places legitimate broker-dealers and agents who do not use such methods, acts, and practices at a competitive disadvantage vis a vis Respondents.

V. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapter 502:

- A. Respondents and any employees, agents, representatives, or any other person working on Respondents' behalf, pursuant to Iowa Code § 502.604, shall immediately cease and desist acting as broker-dealers or securities agents in this state unless and until they are properly registered by the Division to do so;
- B. Respondents and any employees, agents, representatives, or any other person working on Respondents' behalf, pursuant to Iowa Code § 502.604, shall immediately cease and desist engaging in any prohibited conduct, including but not limited to, engaging in any fraudulent, deceptive, manipulative, or misleading conduct with current or prospective investment clients;
- C. Respondents are jointly and severally liable and shall pay to the Iowa Insurance Division, investor restitution in the amount of \$2,018,873.68, credited to the Iowa Settlement Fund pursuant to Iowa Code § 502.604. Upon receipt, the Division may distribute these funds to the investor referenced in the findings of fact as appropriate to further the purposes of Iowa Code § 502.604;
- D. Respondents are jointly and severally liable and shall pay to the Iowa Insurance Division a civil penalty in the amount of \$370,000.00 pursuant Iowa Code § 502.604(4). The penalty shall be credited to the Securities Investor Education and Financial Literacy Training Fund as required in Iowa Code § 502.601(4); and
- E. Respondents are jointly and severally liable and shall pay to the Iowa Insurance Division the amount of \$9,500.00 for the costs of investigation and prosecution in this matter, pursuant Iowa Code § 502.604(5). The payment of costs shall be credited to the Securities Investor Education and Financial Literacy Training Fund as required in Iowa Code § 502.601(5).

F. This Order may be enforced pursuant to Iowa Code chapters 502 and 505, and additionally, by any collection remedies available to the State of Iowa Department of Revenue for unpaid ordered monetary amounts.

SO ORDERED on the 31st day of October, 2022.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that you may request a contested case proceeding and hearing on this matter within thirty (30) days from the date that the order is issued according to Iowa Code § 502.604. This request must be filed to the attention of the Enforcement Bureau:
enforcement.filings@iid.iowa.gov.

If requested, a notice of hearing shall be prepared by the Division and shall be issued no later than thirty (30) days from the date of receipt of a timely request for a contested case proceeding and hearing. The resulting hearing will be held in accordance with Iowa Administrative Code chapter 191—3.

NOTICE OF FINAL ORDER AND FAILURE TO REQUEST A HEARING

If you fail to request a hearing within thirty (30) days of the date of this Cease and Desist Order, the Order shall become final by operation of law and shall be enforceable by the Commissioner of Insurance in an administrative or court proceeding.

**NOTICE OF EXHAUSTION OF ADMINISTRATIVE REMEDIES AND RIGHT TO
SEEK JUDICIAL REVIEW**

The failure to request a hearing may constitute a failure to exhaust your administrative remedies and limit the issues subject to judicial review. You may seek judicial review of this Order pursuant to Iowa Code chapter 17A after the Order becomes final.

NOTICE OF PENALTIES FOR VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that a person who violates this Order shall be deemed in contempt of this Order. The Commissioner may petition the district court to hold a hearing to enforce the Order as certified by the Commissioner. The district court may assess a civil penalty against you and may issue further orders as it deems appropriate.

Copies to:

Windsor Jones, LLC
c/o Wolf Group Holdings, LLC, Registered Agent
3213 Emerald Place
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Elizabeth Parker
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Mark Goodwin
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Wilmington, Delaware 19810

Emailed to:
admin@windsorjonesllc.com
collinsanthony1106@gmail.com

RESPONDENTS

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on November 2, 2022.

By: () First Class Mail () Personal Service
 Restricted certified mail, return receipt Email, ~~by consent~~
() Certified mail, return receipt () _____

Signature: Brooke Hohn
Brooke Hohn