

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 117252
)	
CHARLES WINN, LLC;)	ORDER AND
)	CONSENT TO ORDER
CHARLIE JAKE SMITH;)	
DOB: 5/15/XXXX)	
)	
HELEN STANLEY; and)	
)	
GARY GOODMAN,)	
)	
)	
Respondents.)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by the consent of Respondent Charlie Jake Smith, pursuant to the provisions of Iowa Code chapter 502—Uniform Securities Act, the Commissioner enters the following Order and Consent to Order (“Consent Order”):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces of Iowa Code chapter 502—Uniform Securities Act pursuant to Iowa Code § 502.201(1) pursuant to Iowa Code § 502.601.
2. Charlie Jake Smith (“Smith”) is an individual with a last known address of 23 Lawrence Rd., Romford, Essex, United Kingdom, RM2 5SS.
3. Smith is not, nor has he ever been, registered as a securities agent or investment advisor representative in the state of Iowa. No claims of exemption from registration have been filed with the Division on behalf of Smith.
4. Defendant does not contest the jurisdiction of the Commissioner pursuant to Iowa Code chapter 502.

5. Without admitting or denying the allegations set forth herein, or in the Division's Petition for Summary Cease and Desist Order, except as to personal and subject matter jurisdiction, which Defendant does not contest, Defendant hereby consents to the entry of this Consent Order.

II. FINDINGS OF FACT

6. Smith has appointed the undersigned counsel as his agent to receive service of process in this matter and will provide consent for such service, pursuant to Iowa Code § 502.611(1).

7. Smith is not, nor has he ever been, registered as a securities agent or investment advisor representative in the State of Iowa. No claims of exemption from registration have been filed with the Division on behalf of Smith.

8. The Division began investigating Respondents after receiving notification from a broker-dealer of suspected senior financial exploitation by two companies, Charles Winn, LLC, and a different wine-securities company called Windsor Jones, LLC. *See Windsor Jones, LLC, et al.*, Summary Cease and Desist Order, No. 114218, 2022 WL 16895296 (Iowa Ins. Div. Oct. 31, 2022). During the investigation, Charles Winn, LLC, was identified as a company that sold wine-related securities to the same Iowa consumer ("Investor E.P.") involved in *Windsor Jones, LLC, et al.*

9. On August 1, 2023, the Commissioner entered a Summary Cease and Desist Order against Respondents requiring them to cease and desist from acting as unlicensed broker-dealers or securities agents and engaging in prohibited conduct, assessing restitution for Investor E.P. in the amount of \$363,780.00, assessing civil penalties in the amount of \$50,000.00, and assessing costs in the amount of \$5,651.75. *See Charles Winn, LLC, et al.*, Summary Cease and Desist Order, No. 117252, 2023 WL 5109272 (Iowa Ins. Div. Aug. 1, 2023) ("C&D Order").

10. On September 1, 2023, Smith filed a Request for Hearing, which the Commissioner

granted on November 14, 2023. In 2013, Smith began working for Prime Trading 5 (which later changed its name to Wynn XS), a company run by Aaron Scott-Britten (“Britten”) and Ohron Stewart (“Stewart”), individuals who would later go on to operate and control Respondent Charles Winn, LLC. Smith ceased his employment with these entities in October 2020. Between 2013 and 2020, Smith held various positions with these entities, including junior sales broker, senior trader, and administrative assistant to Talisha Laura Greenwood, another Charles Winn, LLC employee.

11. Charles Winn, LLC is not, nor ever was a, registered broker-dealer in Iowa.

12. On July 3, 2024, Smith provided to the Division a sworn statement describing his participation in the above-referenced entities and confirming his willingness and readiness to testify to the same.

SEC Proceedings

13. On April 20, 2023, the Securities Exchange Commission (“SEC”) filed a complaint in the United States District Court for the Central District of California against Smith, Charles Winn, LLC, and others, alleging various violations of federal securities laws. *Securities and Exchange Commission v. Charles Winn LLC, et.al*, Case 2:23-cv-02988-FMO-E, C.D. Cal. (“*Charles Winn LLC*”). This action included Investor E.P. among the harmed consumers. On June 5, 2023, the Court in *Charles Winn LLC* entered judgment against Smith with his consent. The judgment restrained Smith from violating federal securities laws and ordered Smith to pay the following: disgorgement of ill-gotten gains; prejudgment interest; and civil penalties. The monetary amounts were later determined upon motion by the SEC.

14. On April 8, 2024, the court entered final judgment against Smith. The court permanently restrained Smith from violating federal securities law and found Smith liable for \$55,244.00 in

disgorgement with prejudgment interest in the amount of \$7,665.64, totaling \$62,909.64. Based on Smith's statement of financial condition provided to the court, the court chose not to impose a civil penalty and waived payment of the disgorgement and prejudgment interest.

15. Since filing his Request for Hearing, Smith has cooperated with the Division's investigation and prosecution of this matter.

II. CONCLUSIONS OF LAW

COUNT I

Unregistered Securities Agent

16. 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."

17. Iowa Code § 502.402 prohibits an individual from acting as a securities agent in Iowa without being registered or exempt from registration.

18. 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.

19. Smith worked on behalf of Charles Winn, LLC to offer the sale of securities.

20. Smith is not, nor has he ever been, registered as a securities agent in the state of Iowa or any other United States jurisdiction.

21. Smith does not meet any of the registration exemptions found in Iowa Code § 502.402(2).

22. As a result of the above acts and practices, Charles Winn LLC violated Iowa Code § 502.402.

III. ORDER

WHEREFORE, IT IS ORDERED the C&D Order entered against Smith on August 1, 2023, is hereby vacated as to Smith only and superseded by this Consent Order; and

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

- A. Pursuant to Iowa Code § 502.604, Smith shall immediately cease and desist from acting as an unregistered securities agent in Iowa;
- B. Smith shall fully cooperate with the Division's investigation and prosecution of the remaining Respondents as well other past or present owners and employees of Charles Winn, LLC, Prime Trading 5, Wynn XS, and Wynn Management Ltd., in connection with this action including the following:
 1. Within 14 days of reasonable notice or subpoena by the Division, provide relevant documentation or other relevant information;
 2. Within 14 days of reasonable notice or subpoena by the Division, submit to investigatory interviews; and
 3. Within 30 days of reasonable notice or subpoena by the Division, make himself available to testify in depositions, appearances, or hearings in administrative or judicial proceedings relating to said prosecution, irrespective of any territorial limits on service of a subpoena to testify.
 4. Accept service by mail or facsimile transmission of notices and subpoenas issued by the administrator;
 5. Appoint his undersigned attorney as agent to receive service of such notices and subpoenas.

- C. Should Smith fail to adhere to the terms of this Consent Order, the Division may subject Smith to additional administrative action for failure to comply with an order of the Commissioner, for any of the allegations contained herein or contained in the August 1, 2023 C&D Order, and for any other applicable violation of Iowa law or rule.
- D. These orders may be enforced under Iowa Code chapter 502, including but not limited to, Iowa Code § 502.604.

SO ORDERED on this 5th day of September, 2024.




DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



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ATTORNEYS FOR RESPONDENT SMITH

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 September 3, 2024.

By: First Class Mail Personal Service
 Restricted certified mail, return receipt Email
 Certified mail, return receipt _____

Signature:  _____
Joseph Fraioli

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that acting as a securities agent, investment adviser, investment adviser representative, or broker-dealer, as defined in Iowa Code chapter 502, in violation of this Order, is a felony under Iowa Code § 502.508, subjecting you to punishment of imprisonment, jail, fines, or any combination of custody and fines.

YOU ARE ALSO NOTIFIED that any person who violates this order may be subject to administrative and civil penalties pursuant to Iowa Code § 502.604. 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 the person in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation, and may issue further orders as it deems appropriate.

NOTICE OF FINAL ORDER IMPACT

A final cease and desist order may adversely affect other existing business or professional licenses and may result in license revocation or disciplinary action.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this this order. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.

CONSENT TO ORDER AND AGREEMENT

I, Charlie Jake Smith, Respondent in this matter, have read, understood, and do knowingly consent to this Order in its entirety. I understand and acknowledge I have the right to consult with an attorney on this matter if I choose to do so and acknowledge that the Division cannot provide me an attorney nor can the Division provide me legal advice. By executing this Consent, I understand that I am waiving my rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies and self-regulatory organizations. I also understand this Order is a public record under Iowa Code chapter 22 and information may be shared with other regulatory authorities or governmental agencies, pursuant to Iowa Code § 505.8(8)(d). I also understand this Order will be posted to the Division’s website and a notation will be made to the publicly available website record that administrative action has been taken against me.

08/30/2024

Charlie Jake Smith

Date

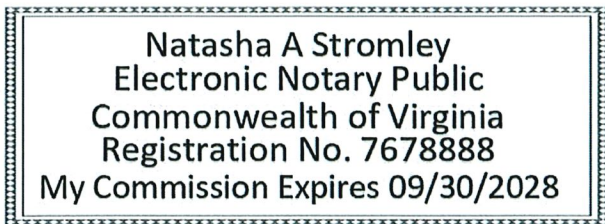
Charlie Jake Smith, Respondent

14 Keswick Gardens, Purfleet, Essex, RM19 1PJ

Address of Signatory

Commonwealth of Virginia
City/County of Hampton

Subscribed and sworn before me by Charlie Jake Smith on this 30th day of August, 2024.
This notarial act was performed: (check one) physical presence remote notarization.



Natasha A Stromley

Notary Public for Virginia
My commission expires: 09/30/2028
Commission #: 7678888

Remotely notarized online using two-way audio-video communication.