

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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IN THE MATTER OF: CHARLES WINN, LLC. ITS OFFICERS )  
AND DIRECTORS, AGENTS, EMPLOYEES, AFFILIATES, )  
SUCCESSORS AND ASSIGNS and CHARLIE JAKE SMITH )  
\_\_\_\_\_ )

File No. 2100007

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS: Charles Winn, LLC.  
300 Delaware Avenue Suite 210  
Wilmington, Delaware 19801

Charles Winn, LLC.  
C/o Advantage Delaware, LLC.  
3524 Silverside Suite 35B  
Wilmington, Delaware 19810

Charlie Jake Smith  
23 Lawrence Road  
Romford RM2 5SS United Kingdom

Charlie Jake Smith  
300 Delaware Avenue Suite 210  
Wilmington, Delaware 19801

Charlie Jake Smith  
C/ o Advantage Delaware, LLC.  
3524 Silverside Suite 35B  
Wilmington, Delaware 19810

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. That Respondent Charles Winn, LLC. ("Charles Winn") is a Delaware Limited Liability Company formed on August 3, 2017 with a last known address 300

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Delaware Avenue Suite 210, Wilmington, Delaware 19801. Its registered agent is Advantage Delaware, LLC. located at 3524 Silverside Suite 35B, Wilmington, Delaware 19810.

2. That on October 22, 2020 the Securities Commissioner of the State of Texas issued an Emergency Cease and Desist Order ("Texas Order") against Charles Winn, LLC. The allegation included the sale of unregistered securities and failure to disclose material facts.
3. That per the Texas Order Respondent Charlie Jake Smith is a control person of Charles Winn, LLC. with a last known addresses of 23 Lawrence Road, Romford RM2 5SS United Kingdom; 300 Delaware Avenue Suite 210, Wilmington, Delaware 19801; 3524 Silverside Suite 35B, Wilmington, Delaware 19810. He is also registered as a Director of the United Kingdom registered entities Charles Winn, Ltd. and Wynn Management, Ltd.
4. That Charles Winn through a sales team offered to sell investments in fine wines whereby the investor could invest in single bottles of wine, a collection of wines, or in a certain vintage of wines. Charles Winn offered to store these wines and eventually procure a purchaser for them. The Respondent would keep 10% of the sales price and the investor would receive the balance less expenses.
5. That per the Texas Order the Respondent would solicit investors most often thru cold calls by its sales team.
6. That Investor A, an Illinois Resident and senior citizen received such a call, actually 4 calls, from the same salesman. He was told that for \$9,000 he could invest in Respondent's fine wines program. The salesman stated that Investor A could expect to make between 17% and 20% profit on his investment.
7. That the salesman failed to disclose the Texas Order to Investor A during the first solicitation to invest. The salesman offered no prospectus, investment summary or other sales materials that might disclose the Texas Order. The salesman did not disclose any of the risks of the investment but rather pitched that it was recession proof.
8. That in fact Investor A asked the salesman for sales materials regarding the company and the salesman responded that they do not provide any materials but could answer any questions Investor A may have. The salesman did not answer Investor A's questions about commissions and storage fees.
9. That the salesman failed to disclose the commissions they received or the fact that additional investment was necessary to make the investor's wine sale possible.

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10. That the activities described in above constitutes the offer and sale of a security and as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
11. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
12. That a review of the records showed that Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
13. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of this Act.
14. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
15. That Section 12.F of the Act provides that it shall be a violation of the Act to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which work or tends to work a fraud or deceit upon the purchaser.
16. That Pursuant to Section 12.G of the Act, it is a violation of the Act to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
17. That by virtue of the foregoing, the Respondents have violated Sections 12.A, 12.D, 12.F, and 12G of the Act.
18. That the aforementioned findings are based upon credible evidence.
19. That Section 11.F (2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, or the business of rendering investment, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

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20. That the entry of this Temporary Order prohibiting Respondent, or its agents, affiliates, successors and employees, from offering or selling securities and from the business of rendering investment advice in and from the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent Charles Winn, LLC, its officers and directors, agents, employees, affiliates, successors and assigns and Respondent Charlie Jake Smith are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State of Illinois.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 16<sup>th</sup> day of March 2021.



JESSE WHITE  
Secretary of State  
State of Illinois

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