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FILED FOR DOCKET
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**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Plaintiff,

v.

**CHARLES L. HARRIS,
TRADEWINDS INTERNATIONAL, L.L.C.,
TRADEWINDS INTERNATIONAL II, L.P.**

Defendants.

04C 5725
Case No:

JUDGE PALLMEYER

**MAGISTRATE JUDGE
GERALDINE SOAT BROWN**

COMPLAINT

Plaintiff, the United States Securities and Exchange Commission ("Commission"), for its Complaint against Charles L. Harris ("Harris"), Tradewinds International, L.L.C. ("Tradewinds LLC"), and Tradewinds International II, L.P. ("Tradewinds II"), alleges as follows.

INTRODUCTION

1. Since 2001, Harris, Tradewinds LLC, and Tradewinds II have engaged in a fraudulent scheme in which they raised at least \$10 million from over thirty investors for Tradewinds II, a private investment limited partnership "hedge fund." As part of this scheme, Harris and Tradewinds LLC made false and misleading statements to investors regarding Tradewinds II's past rates of return, net asset value, and the use of investor funds. Harris has raised funds as recently at July 2004.

2. In July 2004, Harris sent certain key investors e-mails and DVDs in which he confessed that he had falsely reported profits to investors in Tradewinds II since at least the third quarter of 2003, when, in reality, Tradewinds II lost a significant amount of money. While Harris

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told investors in 2003 that Tradewinds II's net asset value was between \$18 and \$23 million, trading account statements reflect a total value of at most \$1.1 million during 2003, and approximately \$30,000 at the end of the year.

3. Contrary to representations to investors, Harris used investor funds for purposes other than trading. In 2003 and 2004, at least \$2.4 million of investor funds were never transferred to the trading accounts, but were used for personal and business expenses and to repay investors at artificially inflated rates, while Tradewinds II secretly incurred losses. At least \$550,000 invested in 2004 was never deposited in the trading accounts.

4. The Commission brings this action ex parte. In recent communications with investors, Harris contends that he has left the country and has taken the remaining assets of Tradewinds II offshore. However, he refuses to disclose to investors the location or exact amount of those assets. Therefore, if given prior notice of the Commission's action, Defendants are likely to divert, conceal, and dissipate investor funds.

5. The Commission brings this action to put an immediate stop to the Defendants' fraudulent offer and sale of securities, and misuse of investor funds. The Commission seeks a temporary restraining order and preliminary and permanent relief enjoining Harris, Tradewinds LLC and Tradewinds II from future violations of the federal securities laws, as well as an asset freeze to avoid dissipation of assets pending the resolution of this action and such other ancillary and equitable relief as is sought herein and may be appropriate.

THE DEFENDANTS

6. Harris, age 43, is a resident of Winnetka, Illinois. Harris organized Tradewinds II and is the President and sole Managing Member of the fund's General Partner, Tradewinds LLC.

In his positions with Tradewinds LLC, Harris controlled Tradewinds II, made or caused to be made the public statements issued by or on behalf of Tradewinds II, and controlled the use of investor funds.

7. Tradewinds LLC is an Illinois limited liability company formed by Harris in 2001, with its place of business in Winnetka, Illinois. Tradewinds LLC serves as the General Partner of Tradewinds II. Tradewinds LLC, through Harris, is responsible for all trading and investment decisions for Tradewinds II.

8. Tradewinds II is an Illinois limited partnership and a private investment “hedge fund” organized in July 2001. Tradewinds II was formed to engage in the business of investing in securities under an investment strategy developed by Harris. Tradewinds II raised at least \$10 million from over thirty investors. Under the Tradewinds II Partnership Agreement, Tradewinds LLC, as General Partner, was to receive 25% of any profits made each quarter.

JURISDICTION AND VENUE

9. The Commission brings this action pursuant to the authority conferred on it by Section 20(b) of the Securities Act of 1933 (the “Securities Act”), 15 U.S.C. § 77t(b) (2002), and Sections 21(d) and (e) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. § 78u(d)-(e) (2002).

10. The Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a) (1998), and Section 27 of the Exchange Act, 15 U.S.C. § 78aa (1987).

11. Venue is proper in this Court pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

12. The acts, practices and courses of business constituting the violations alleged herein occurred within the jurisdiction of the United States District Court for the Northern District of Illinois and elsewhere.

13. Defendants, directly and indirectly, have made, and are making, use of the means and instrumentalities of interstate commerce and of the mails in connection with the acts, practices and courses of business alleged herein in the Northern Southern District of Illinois and elsewhere.

14. Defendants, directly and indirectly, engaged in and, unless enjoined, will continue to engage in transactions, acts, practices, and courses of business that violate Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a) (2000), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b) (2000), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5 (1951).

FACTS

Defendants' Tradewinds II Offering

15. In 1996, Harris formed Tradewinds International, L.P. ("Tradewinds I"), an investment limited partnership, trading primarily in foreign currencies, interest rates, and stock indicies.

16. In July 2001, Harris formed Tradewinds II and Tradewinds LLC, Tradewinds II's General Partner. Harris rolled investors in Tradewinds I into Tradewinds II.

17. Harris and Tradewinds LLC raised at least \$10 million from over thirty investors in Tradewinds II, including the investors that were previously in Tradewinds I. Investors learned of

Tradewinds I and II through word of mouth, and then met with Harris, who described his trading strategy and his history of profitable trading, and then provided an offering memorandum.

18. According to its offering memorandum, Tradewinds II uses a proprietary trading model developed by Harris. The offering memorandum mentions that Harris would invest in securities, but does not specify the types of trades Harris would make. Harris pooled investor funds in Tradewinds II and traded options on futures contracts, futures, and commodities.

Defendants' Misrepresentations Regarding Tradewinds II's Purported Profitable Returns

19. On behalf of Tradewinds II, Harris and Tradewinds LLC regularly provided information to the investors, including the net asset value of Tradewinds II's limited partnership interests and profitability. Harris and Tradewinds LLC regularly provided this information through quarterly statements issued to the investors, as well as through Schedule K-1's.

20. Harris and Tradewinds LLC also provided this information to investors through a website, <http://www.tradewinds-lp.com> (the "Website"), which was available to all investors. The investors had the ability to log into this Website to see the current value of their investments in Tradewinds II at any time.

21. Since the inception of Tradewinds II, Harris and Tradewinds LLC have provided investors with quarterly reports or postings on the Website reflecting annual returns of between 12% and 15%. On the Website, Harris and Tradewinds LLC reported to investors an annual return of approximately 13% for 2003, and approximately 8% for the first two quarters of 2004. Harris also told investors that the value of the Tradewinds II fund was between \$18 and \$23 million in 2003. As described below, the rates of return and other information such as unit values, net quarterly earnings, percent performance, account values, and earnings, was false.

22. In or about November 2003, several investors requested information regarding Tradewinds II and its investments, including a full audit of Tradewinds II's financial statements. The request was made to Tradewinds LLC, as General Partner, by and through Harris, Tradewinds LLC's sole Managing Member. Neither Tradewinds LLC nor Harris provided any information in response to this request. In fact, in his recorded confession, Harris stated that the pressure to provide an audit was one of the reasons the fraud was finally disclosed in July 2004.

23. With the mounting pressure, Harris purportedly left the country and sent a confession to some investors. In July 2004, Harris informed some of the investors of a "Confession Website" at <http://www.tradewindslp2.homestead.com/Confession.html>, where he admitted making false and misleading statements regarding Tradewinds II. Specifically, Harris admitted that Harris and Tradewinds LLC misstated Tradewinds II's 2003 returns, and indicated that he had left the country to trade offshore. Harris' Confession Website stated in part¹:

Then comes 2003... market starts to sell off and we begin year with nice returns and I since the market is in trouble... we start building short positions to capture larger gains as I know 12% returns are not enough given our type of investment product... Obviously the market turned up as we all know and I thought this was a momentary correction... Here is were I began to panic a bit.... I held positions off books to wait and see if it come back in.. Subsequently hold unit value firm. the now starts to what profits we had and moves us into a small lose area... Now as year is getting closer to end I realize I have made a horrible mistake... and unfamiliar with this area I cover it up ! So.... Now I have a real lose of some 8% and are projecting a gain of 12 plus % an obvious 20 plus percent spread. All in the blink of an eye. I take January and contemplate my position and feel given conversations with Pier about business drift and so on I realize I have wondered far off course. I reclaim my old notes and send the month retooling myself to make a strong run at closing the spread... But continued redemptions add to spread and I realize the correct thing to do is

¹ The Confession contained numerous grammatical and typographical errors. We have reproduced part of his Confession as it appeared on the website, with the errors.

STOP!!! Again all in a blink of an eye... my beautiful partnership was falling down around me. I sink into hole not sure what to do...and spend the last three months looking at my children and almost coming to pieces. I have made money for 14 plus years.. and one 9 month period was going to define my career. So I made one decision that I think save my life. I was going to make a DVD/Video for three of the people in this partnership that mean a great deal to me.... I need them to know how sorry I was for not being honest. I need them to know people sometimes make mistakes...(.) I have had an interest off shore for some time (as several of you know) and quite frankly given the environment in the states I have wanted to move more trading here anyway. (...)

(emphasis added).

24. In addition to the Confession, which was received by investors on approximately July 20, 2004, Harris sent DVD videos via Federal Express to three key investors (the "Videos"). In each of the Videos, Harris was shown inside the cabin of a sailboat, directly addressing the camera, where he confessed to misstating the net asset value of the limited partnership interests, as well as the Fund's gains and losses in 2003. Specifically, in the Video sent to an investor, Harris states in part:

I've got a situation and it's potentially developing worse. So I'm going to spend the next six to nine months shutting Tradewinds down. (...) Last year we didn't have a good year. Bottom line is last year when we thought we were up twelve percent... I knew we weren't up twelve percent. Actually we ended up down eight percent. (...) I have to right the situation. We have endured some hefty redemptions and it's just compounding the problem.

Harris further stated that he would be trading Tradewinds II's funds offshore for the next nine to twelve months, in an effort to make the lost money back. He stated that he was en route to "his location" and that he would trade through a designee.

25. Harris later revealed to these key investors that Tradewinds II had incurred even greater losses than the eight percent loss he initially stated in the Videos. On the Website in early

August 2004, Harris stated, "We are basically [sic] a little over 44% down (because of redemptions)."

26. In the Videos, Harris further admits that Tradewinds II, by and through Harris, paid out redeemed limited partnership interests to preferred investors at an inflated net asset value, thereby diluting the value of the remaining limited partnership interests.

27. Upon receipt of the Confession and the Videos, investors made numerous demands to Harris, Tradewinds LLC, and Tradewinds II, both verbally and in writing, requesting information regarding the Fund and its assets. Harris, Tradewinds LLC, and Tradewinds II have refused to provide any information regarding the Fund, including the true value of its assets and holdings. Harris has refused to return to Chicago or the State of Illinois, preferring instead to remain "offshore" with limited contact with the investors.

28. In the Videos, Harris encouraged the key investors not to tell the other investors about the fraud. As recently as August 11, 2004, Harris was still misrepresenting the net asset value of the limited partnership interests at an inflated value to investors other than the key investors. Specifically, Harris represented that the value per unit was \$5.8575, "up around 8% on year."

This false statement was made approximately three weeks after the Confession and Videos.

29. Some investors invested in Tradewinds II based on the misrepresented profits for 2003. In April and July 2004, two investors provided a total of \$550,000 to Harris for investment in Tradewinds II after speaking with Harris, who confirmed the falsely reported 13% returns for 2003.

Defendants' Misrepresentations Regarding the Use of Investors' Funds

30. Despite raising more than \$10 million in Tradewinds II, since at least January 2003 there has not been more than approximately \$1.1 million in the trading accounts. Further, from at least January 2003, the trading records show Tradewinds II losing money nearly every month. By July 2004, the Tradewinds II accounts had only \$30,000, at which time Harris transferred out the balance and closed the account. Despite his clear knowledge that the Fund lost money since January 2003, Harris made misrepresentations to investors claiming that Tradewinds II was profitable.

31. One of the reasons for the dramatic decline is that Harris did not use all of the investor proceeds for trading, as represented to investors. New investments totaling \$550,000 were made in April and July 2004, but those funds were never placed in the trading or bank accounts for Tradewinds II. Bank records also show that Harris never transferred at least \$2.4 million to the trading accounts in 2003 and 2004, but instead used the funds for personal and business expenses and to repay investors at artificially inflated rates, while Tradewinds II secretly incurred losses.

32. The Tradewinds II partnership agreement disclosed to investors that Harris would receive 25% from profits, from which he was to pay his expenses. Harris misled the investors because he withdrew investor funds for personal and business expenses when there were no actual profits in 2003 from which Harris could properly draw funds.

33. Harris admitted on the Videos and in emails that he made significant redemption payments in 2003 and 2004. He misled investors by wrongfully making payments to certain investors at falsely inflated rates when the actual value of the fund was much lower.

34. Harris also admitted in the Videos that he has taken the remaining assets of the partnership offshore. If true, Harris may be attempting to avoid any freezing of these assets and making unfettered use of investor funds for personal expenditures without detection.

35. In the Videos, Harris stated that if certain investors helped him, he would pay them back at higher rates than that offered to all investors, which would once again improperly distribute funds to these investors at inflated values to the detriment of other investors.

COUNT I

Violations of Section 17(a)(1) of the Securities Act

36. Paragraphs 1 through 35 are realleged and incorporated by reference as though fully set forth herein.

37. By engaging in the conduct described above, Harris, Tradewinds LLC, and Tradewinds II, in the offer and sale of securities, by the use of the means and instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, have employed devices, schemes and artifices to defraud.

38. Harris, Tradewinds LLC, and Tradewinds II intentionally or recklessly made the untrue statements and omissions of material fact and engaged in the devices, schemes, artifices, transactions, acts, practices, and courses of business described above.

39. By reason of the foregoing, Harris, Tradewinds LLC, and Tradewinds II have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT II

Violations of Sections 17(a)(2) and (3) of the Securities Act

40. Paragraphs 1 through 35 are realleged and incorporated by reference as though fully set forth herein.

41. By engaging in the conduct described above, Harris, Tradewinds LLC, and Tradewinds II, in the offer and sale of securities, by the use of the means and instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, have:

- a. obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- b. engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon the purchasers of such securities.

42. Harris, Tradewinds LLC, and Tradewinds II made the untrue statements and omissions of material fact, and engaged in the devices, schemes, artifices, transactions, acts, practices, and courses of business described above.

43. By reason of the foregoing, Harris, Tradewinds LLC, and Tradewinds II have violated and, unless enjoined, will continue to violate Sections 17(a)(2) and (3) of the Securities Act, 15 U.S.C. § 77q(a)(2)-(3).

COUNT III

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

44. Paragraphs 1 through 35 are realleged and incorporated by reference as though fully set forth herein.

45. By engaging in the conduct described above, Harris, Tradewinds LLC, and Tradewinds II, in connection with the purchase and sale of securities, by the use of means or instrumentalities of interstate commerce and of the mails, directly or indirectly, have:

- a. employed devices, schemes, and artifices to defraud;
- b. made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and
- c. engaged in acts, practices or courses of business which would and did operate as a fraud or deceit upon the purchasers and sellers of such securities.

46. Harris, Tradewinds LLC, and Tradewinds II intentionally or recklessly made the untrue statements and omissions of material fact and engaged in the devices, schemes, artifices, transactions, acts, practices, and courses of business described above.

47. By reason of the foregoing, Harris, Tradewinds LLC, and Tradewinds II violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

RELIEF REQUESTED

WHEREFORE, the Commission requests that the Court:

I.

Find that Defendants Harris, Tradewinds LLC, and Tradewinds II committed the violations charged and alleged herein.

II.

Enter a temporary restraining order, and orders of preliminary and permanent injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining Defendants Harris, Tradewinds LLC, and Tradewinds II, and their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with any of the foregoing who receive actual notice of such order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, in violation of Sections 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(1)-(3), Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5.

III.

Enter a temporary restraining order and orders of preliminary and permanent injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining Defendants Harris, Tradewinds LLC, and Tradewinds II, and their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them

who receive actual notice of such orders, by personal service or otherwise, and each of them from directly or indirectly:

A. transferring, selling, assigning, pledging, dissipating, concealing, or otherwise disposing of in any manner, any funds, assets, accounts, or other property belonging to, or directly or indirectly in the possession, custody, or control of Defendants Harris, Tradewinds LLC, and Tradewinds II, or in which these Defendants have a beneficial interest, wherever located and held in whatever name;

B. transferring, selling, assigning, pledging, dissipating, concealing, or otherwise disposing of in any manner, any funds, assets, accounts, or other property obtained or maintained with investor funds, or into which investor funds have been deposited; and

C. destroying, mutilating, concealing, altering, or disposing of in any manner, any of the books, records, documents, correspondence, brochures, manuals, obligations, or other property, belonging to or directly or indirectly in the possession, custody, or control of Defendants, in whatever form, including electronic, and wherever located.

IV.

Enter an order requiring Defendants Harris, Tradewinds LLC, and Tradewinds II to:

A. provide the Commission, within three days of the issuance of this Order, with an accounting of all of the funds received, directly or indirectly, from individuals or entities who gave Harris, Tradewinds LLC, and Tradewinds II money for investment, which accounting shall include, without limitation, a schedule indicating: (1) the date of each investment, name of each investor, amount of each investment, and any account into which such investments were deposited; (2) the uses to which such funds were put, including, but not limited to, the nature and

purpose of the use of the funds, the date and amount of the disbursement, and the name of the individual or entity involved in the transaction; (3) amounts of any remaining funds and their location; and (4) a separate schedule and accounting of the assets and liabilities of Harris, Tradewinds LLC, and Tradewinds II, and their location as of September 1, 2004;

B. produce to the Commission, within three days of the issuance of the temporary restraining order, all books, records, and other documents supporting or underlying the accounting provided to the Commission pursuant to paragraph V.A. above; and

C. produce to the Commission, within three days of the issuance of the temporary restraining order, all current accountants' reports, bank statements, documents indicating title to real or personal property, and any other indicia of ownership or interest in property of Harris, Tradewinds LLC, or Tradewinds II, which indicia of ownership or interest are now in the Defendants' actual or constructive possession; provided, however, that nothing in the order shall be construed to require Defendants to abandon or waive any constitutional or other legal privilege which they may have available to them.

V.

Enter an order requiring Defendants Harris, Tradewinds LLC, and Tradewinds II to disgorge the ill-gotten gains that they received as a result of their wrongful conduct, including prejudgment interest.

VI.

Enter an order imposing upon Defendants Harris and Tradewinds LLC appropriate civil penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

VII.

Enter an Order requiring Defendants Harris, Tradewinds LLC, and Tradewinds II to repatriate any funds, assets, accounts, or other property obtained or maintained with investor funds, or into which investor funds have been deposited, that are not subject to the jurisdiction of the Court, and requiring Defendants to direct the deposit of any such funds into identified accounts in the United States, pending conclusion of this matter.

VIII.

Enter an Order pursuant to Rules 30(a)(2)(C), 33(a), 34(b), and 36(a) of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 30(a)(2)(C), 33(a), 34(b), 36(a),:

- A. granting parties permission to take depositions upon oral examination of parties and non-parties subject to two business days notice;
- B. granting parties permission to serve interrogatories, requests for the production of documents, and requests for admissions; and providing that parties shall respond to such discovery requests within five days of service;
- C. providing that, should Defendants fail to appear for a properly noticed deposition, Defendants may be prohibited from introducing evidence at the hearing on the Commission's request for a preliminary injunction;
- D. providing that failure to respond to a request for admission within five days of service may cause the request to be deemed admitted for all purposes in this action;
- E. providing that, should a party fail to respond to an interrogatory within five days of service, that party may be prohibited from introducing any evidence concerning the subject of the interrogatory for any purpose in this action;

F. providing that, should a party fail to produce a responsive document within five days of service, that party may be prohibited from introducing the withheld document for any purpose in this action;

G. providing that all responses to the Commission's discovery requests shall be delivered to James A. Davidson, 175 W. Jackson Blvd., Suite 900, Chicago, Illinois 60604 by the most expeditious means available;

H. providing that if any party to this action intends to present the testimony of any witness at the hearing on a preliminary injunction in this matter, that such party shall, at least two business days prior to the scheduled date and time of hearing, serve on counsel for the other parties a statement of the name, address, telephone number of any such witness, and either a summary of the witness's expected testimony, or the witness's affidavit or declaration revealing the substance of such witness's expected testimony;

I. providing that service of discovery requests shall be sufficient if made upon the parties by facsimile or overnight courier, and that depositions may be taken by telephone or other remote electronic means; and

J. providing that Defendants shall serve an Answer or otherwise respond to the Commission's Complaint within five days from the date of this Order, and that the Court may deem the Commission's allegations admitted for purposes of the Commission's request for a preliminary injunction should a party fail to serve an Answer or otherwise respond within such time.

IX.

Enter an Order appointing a receiver, if necessary, for Defendants Harris, Tradewinds LLC, and Tradewinds II to marshal, conserve, protect, and hold funds and assets obtained by the Defendants and their officers, agents, servants, employees, and those persons in active concert or participation in the fraudulent scheme, wherever such assets may be found, or, with the approval of the Court, dispose of any wasting asset in accordance with an application and order by the Court.

X.

Retain jurisdiction of this action in accordance with the principals of equity and with the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

XI.

Grant orders for such further relief as the Court deems appropriate.

Respectfully submitted,



James A. Davidson, Illinois Bar No. 6206786

Jane E. Jarcho, Illinois Bar No. 6193642

Attorneys for Plaintiff

United States Securities and Exchange Commission

175 W. Jackson Boulevard

Suite 900

Chicago, Illinois 60604-2615

(312) 353-7390

Dated: September 1, 2004

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
FILED FOR DOCKETING

04 SEP - 1 Civil Cover Sheet 04C 5725

This automated JS-44 conforms generally to the manual JS-44 approved by the Judicial Conference of the United States in September 1974. The data is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. The information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is authorized for use only in the Northern District of Illinois.

Plaintiff(s): United States Securities and Exchange Commission**Defendant(s): Charles L. Harris; Tradewinds International, L.L.C.; Tradewinds International II, L.P.**

County of Residence:

County of Residence: Cook

Plaintiff's Atty: Jane Jarcho; James Davidson
SEC
175 W. Jackson Blvd, Ste 900
Chicago, IL 60604
312-353-7390Defendant's Atty: Robert G. Goldstein
Levenfeld Pearlsteins, LLC
Two N LaSalle St, Ste 1300
Chicago, IL 60602
312-346-8380

JUDGE PALLMEYER

II. Basis of Jurisdiction: 1. U.S. Gov't Plaintiff**III. Citizenship of Principal Parties (Diversity Cases Only)**

Plaintiff: - N/A

Defendant: - N/A

MAGISTRATE JUDGE
GERALDINE SOAT BROWN

DOCKETED

SEP 02 2004

IV. Origin : 1. Original Proceeding**V. Nature of Suit: 850 Securities / Commodities / Exchange****VI. Cause of Action: This suit is pursuant to Section 20(b) of the Securities Act of 1933, 15 U.S.C. 77t(b), and Sections 21(d) and (e) of the Securities Exchange Act of 1934, 15 U.S.C. 78u(d)-(e). Defendants violated securities laws, and must be enjoined from further violations.****VII. Requested in Complaint**

Class Action: No

Dollar Demand:

Jury Demand: No

VIII. This case IS NOT a refiling of a previously dismissed case.Signature: 

Date: 9/1/04

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

FILED FOR Eastern Division

In the Matter of

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,
Plaintiff,

CHARLES L. HARRIS,
TRADEWINDS INTERNATIONAL, L.L.C., &
TRADEWINDS INTERNATIONAL II, L.P.,
Defendants.

04 SEP -1 AM 9:05

CLERK
U.S. DISTRICT COURT

Case Number:

JUDGE PALLMEYER

APPEARANCES ARE HEREBY FILED BY THE UNDERSIGNED AS ATTORNEY(S) FOR:

UNITED STATES SECURITIES AND EXCHANGE COMMISSION, Plaintiff

**MAGISTRATE JUDGE
GERALDINE SOAT BROWN**

(A)	(B)
SIGNATURE <i>Jane E. Jarcho</i>	SIGNATURE <i>James A. Davidson</i>
NAME Jane E. Jarcho	NAME James A. Davidson
FIRM U.S. Securities & Exchange Commission	FIRM U.S. Securities & Exchange Commission
STREET ADDRESS 175 W. Jackson Boulevard, Suite 900	STREET ADDRESS 175 W. Jackson Boulevard, Suite 900
CITY/STATE/ZIP Chicago, IL 60604-2908	CITY/STATE/ZIP Chicago, IL 60604-2908
TELEPHONE NUMBER (312) 353-7390	TELEPHONE NUMBER (312) 353-7390
IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE) Illinois Bar No. 6193642	IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE) Illinois Bar No. 6206786
MEMBER OF TRIAL BAR? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
TRIAL ATTORNEY? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	TRIAL ATTORNEY? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
	DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/>
(C)	(D)
SIGNATURE	SIGNATURE
NAME	NAME
FIRM	FIRM
STREET ADDRESS	STREET ADDRESS
CITY/STATE/ZIP	CITY/STATE/ZIP
TELEPHONE NUMBER	TELEPHONE NUMBER
IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE)	IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE)
MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input type="checkbox"/>	MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input type="checkbox"/>
TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input type="checkbox"/>	TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input type="checkbox"/>
DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/>	DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/>

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